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Criticized in Parliament, Murayama Admits Muddle In Supplying Quake Relief

By T. R. Reid

Washington Post Service

TOKYO — The flames are finally out in Kobe, but the earthquake that devastated the city this week sparked a political fire on Friday over the government's response to the tragedy.

The Diet, or Parliament, opened its regular winter session Friday, and opposition party members immediately criticized

Production across Asia has been slowed or stopped because of the quake. Page 9.

Prime Minister Tomiichi Murayama for delays and indecision in getting rescue workers and supplies to the scene.

The earthquake, which struck before dawn Tuesday, killed more than 4,400 people and injured 23,600, making it Japan's worst disaster since World War II. About 300,000 people are homeless.

"What do you think 'management' means?" shouted one legislator, Yoshihiro Nikai, when Mr. Murayama stood up to talk about the tragedy. "Why didn't you send in rescue teams immediately from around the country?"

Mr. Murayama, 70, who has sounded increasingly defensive as criticism has mounted, struggled to get out an answer over the jeers and shouts of the opposition.

"It was the first time this kind of thing has happened," he said, a comment that drew vociferous jeering in a country that has earthquakes of various magnitudes every day. "And it happened so early in the morning. I think there was a lot of confusion."

(Despite the mounting criticism, some analysts said the crisis offered Mr. Murayama a new political lease on life. Page 4.)

The government response to the quake has become a key issue here as people ask how this enormously wealthy country could leave hundreds of thousands of people with minimal food and water for days, while normal lives went on in surrounding cities less than 30 kilometers from Kobe.

One reason is that the damage was so enormous in the most-affected central city areas that emergency supplies could not be delivered. Even as cleanup and repair work moved ahead around the clock, however,

residents of certain Kobe neighborhoods still faced severe shortages.

In fact, about a million people who had been getting running water at home even after the earthquake were cut off Friday. The federal Health and Welfare Ministry said the water supply was shut off to a large number of homes on Friday to help speed the repair of pipes.

The Japanese government response got at least indirect support from the U.S. ambassador, Walter Mondale, who said that criticism of government follows almost every disaster in every country.

"I defy anybody to look good with a tragedy like this which is a major national disaster," he said in a broadcast interview.

"I think it's easy to criticize," he added. "It's another thing to get everything you need right away on the ground when communications and everything else is interrupted. I think a little common sense here is in order."

Many people in Kobe agree that the tragedy was so huge that rescue and reconstruction work would naturally take time. But Mr. Murayama also faced some criticism from Kobe residents when he toured the devastated neighborhoods on Thursday.

News agencies reported:

Doctors warned of looming epidemics of disease among victims of the quake, who are faced with inadequate sanitation, lack of water and food, and freezing temperatures.

Garbage collection has been suspended, and huge mounds of trash are accumulating on the streets. Many sewer lines are broken.

Before the water system was shut down to most of Kobe on Friday, refugees had collected water in plastic containers from broken mains.

With 300,000 people packed into makeshift shelters or living in tents or automobiles, doctors said that a flu epidemic, or worse, was possible.

"We are very worried about a flu epidemic, especially among children," said Shunichi Fukuda, spokesman for the Kobe City Central Citizen's Hospital. "There are already a lot of children with fevers."

Naoto Sato, a Kobe city official, said as follows:

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AP Wirephoto

Mexico Bailout Reopens Old Divisions

On Capitol Hill, Trade Pact Opponents Sharpen Their Knives

By David E. Sanger

New York Times Service

WASHINGTON — A month ago, the White House was celebrating the first anniversary of what it called one of its greatest legislative and foreign-policy successes: the hard-fought passage of the North American Free Trade Agreement, which President Bill Clinton argued would create tens of thousands of high-paying jobs for American workers producing exports for a vibrant Mexican economy.

Now, battling the new Congress over a plan to rescue Mexico from an economic disaster of that country's own making, Mr. Clinton has been forced to confront the ugly truth that economic interdependence is a two-edged sword.

If the Mexican financial system is allowed to collapse, he said earlier this week in a speech with carefully calibrated warnings, the American economy may be taken down with it.

And to the horror of many in the White House, what began as a straightforward financial bailout is reopening the trade-agreement battle, this time in a more hostile and more isolationist Congress.

Many members in both parties see this as a chance to win concessions from Mexico they could not get in 1993, and a

few view it as a prime opportunity to undo the entire accord.

One by one, the trade agreement's opponents have re-emerged in recent days.

They argue that the United States would be compounding its first error —

NEWS ANALYSIS

free trade with a country that undercuts American businesses by keeping its wages artificially low and that floods Texas and California with illegal immigrants — by using taxpayer dollars to rescue Mexico's economy from the inexperience of its own leaders.

The result, they say, with an I-told-you-so tone, will be a bailout of rich

Mexican and rich American investors who gambled on a miraculous ascent for Mexico and lost.

The truth is more complicated, of course: Mexico would probably be in this fix even if the trade accord had never been invented, and while the rich who bought Mexican bonds would be bailed out, so would many decidedly middle-class Americans who have learned in the last year through a panoply of international mutual funds that an emerging market is frequently not a rising one.

But on Capitol Hill, where liberal Democrats who did not like what the trade agreement did to labor are once again teaming up with conservative Re-

See MEXICO, Page 6

Clinton Urges Loan Guarantee Approval

Faced with a revolt in Congress over his \$40 billion package of loan guarantees for Mexico, President Bill Clinton called lawmakers Friday to "do the right thing" and approve the plan.

Mr. Clinton's comments came after the House speaker, Newt Gingrich, warned that the plan was in trouble. He said that "confusion and disarray" among Democrats had delayed a vote on the \$40 billion guarantee. "It's not our

fault that this administration does not seem to be able to get its ducks in a row," Mr. Gingrich said.

Within minutes of the speaker's comments on Friday morning, the Mexican stock market dropped by about 2.5 percent, before recovering by about 1 percent by midday as reassuring remarks came from Mr. Clinton and senior economic officials in his administration. (Page 9)

Peso Collapse Scars Latin Economies

By Erik Ipsen

International Herald Tribune

LONDON — From Tierra del Fuego to the Rio Grande, Latin America's economies will grow much slower than expected following the collapse of the Mexican peso, economists say.

And even the now more pessimistic predictions may be rendered wildly optimistic by the mounting political opposition on both sides of Mexico's northern border to the proposed \$40 billion U.S. support package for the peso, according to interviews with specialists.

As most Latin American bond and

equity markets echoed to the sound of feet racing for the exits, analysts were predicting an unexpectedly difficult year ahead.

"Mexico changed the mood in Latin America," observed Walter Molano, a Latin American economist at CS First Boston in New York, who predicted significant declines in the flow of foreign funds into the region. "One of the withdrawal symptoms will be lower levels of growth."

The Latin American component of the International Herald Tribune world stock index has fallen over 25 percent

since Mexico devalued its peso in late December.

Economists said that the Mexican crash also had raised grave questions about several tenets of what was once referred to as the Mexican model of economic reform.

First, Mexico has demonstrated the dangers of pegging a currency to the dollar as a hedge for domestic inflation. In the case of the peso, that has now been seen as the cause of a disastrous overvaluation.

Secondly, and even more troubling,

See PESO, Page 6

Republicans Are 'in a Box' Over North Korean Accord

By Thomas W. Lippman

Washington Post Service

WASHINGTON — Senate Republicans have begun their party's assault on the U.S.-North Korea nuclear agreement, denouncing its substance and questioning its cost, but grudgingly acknowledging that there is not much they can do about it.

The agreement, reached in October between the Clinton administration and the North Korean government, calls for the United States to establish diplomatic rela-

tions with North Korea and help it acquire two nuclear power plants in exchange for termination of North Korea's nuclear weapons development program.

[Pushing ahead with a cautious thaw in relations, the State Department announced a partial lifting of economic sanctions against North Korea on Friday. The Associated Press reported from Washington.]

Senator John McCain, Republican of Arizona, said the nuclear agreement was

"very hardly flawed and unacceptable" because it prolonged the existence of "a bizarre, Orwellian regime."

But he said he could not think of any way out of it.

"The administration has put us in a box," Mr. McCain said Thursday at a Senate Energy Committee hearing, the first of several scheduled in both houses over the next month. No matter how much Congress dislikes the accord, he said, "if

we refuse to fund it, we can be accused of breaking it."

"The president made commitments," said Senator Frank H. Murkowski, Republican of Alaska, the committee chairman. "I don't believe we should renege on those commitments."

But Mr. Murkowski offered a long list of questions signaling his dissatisfaction:

• Why didn't the administration get

See KOREA, Page 6

Kiosk

10 Die When Small Jet Crashes at Airport Outside Paris

PARIS (AP) — All 10 people aboard a plane that crashed at an executive jet made an emergency landing in flames at Le Bourget airport north of here, rescue services said. The plane, a Mystere Falcon 50, crash-landed as it tried to return to the runway

after an engine caught fire, rescue officials said. Aviation authorities said all seven passengers and three crew members on the plane were killed.

The aircraft smashed into the main runway, scattering debris over several hundred meters, and burned there. The

plane's flight plan indicated that it was bound for Romania.

Bernard Dumon, chairman of the big French food group Saint-Louis, and several other senior executives of the company were among those killed, a Saint-Louis spokesman said.

Art Drawings by Fra Bartolommeo, a Florentine master, are on display at the Louvre.

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Dow Jones	Down 12.78	Trib Index Down 1.14%
3868.43	109.44	109.44
DM 1.516	1.515	1.515
Pound 1.5888	1.588	1.588
Ven 99.42	99.05	99.05
FF 5.2335	5.2495	5.2495

By Celestine Bohlen

New York Times Service

ROME — It doesn't take much to stir Rome's *gattare*, the dedicated army of cat ladies who feed the 200,000 wild cats that live in the city's ancient monuments.

So when a recent article in a popular Roman newspaper shocked local pet owners with the news that an AIDS-like virus was on the rise among Roman strays, Elena Bruni was indignant. She took the report as a slur against her charges, a many mélange of cats that haunt the empty arches of the Teatro di Marcello, across the street from the café-bar she and her family own.

"There have always been sick cats, just as there have always been healthy cats," said Mrs. Bruni, a carefully coiffed 68-year-old who every day for more than 30 years has provided scraps and canned food to three cat colonies lucky enough to live

on her way to work. "I don't believe in this AIDS business. Before, we said they had a cold; now it's called AIDS."

The article, in *Il Messaggero*, was careful to point out that the virus, feline leukemia, poses no threat to humans. But its headline, "Roman Cats, Be on Guard Against Infection: Veterinarians Sound the Alarm," was enough to send phones ringing off the hooks at veterinary clinics around the city.

The uproar prompted Monica Cirinna, a city councilor who heads the Rome office of Animal Rights to go on television to reassure panicky pet owners. But just as she feared, it was too late for some domestic cats. The morning after the article appeared, nine new cats were abandoned at the Protestant Cemetery, known as the burial place of Keats but also home to 250 cats, one of the largest colonies in Rome.

One veterinarian estimated that 10 per-

cent of the city's 100,000 house cats were abandoned because of the article.

"This article was very damaging, and it caused us some terrible days," said Ms. Cirinna, speaking in a cattyhole of an office tucked behind the cupola of the former St. Rita Church, now used by the city as an exhibition hall.

If Rome's cats had a vote — and they already have a long list of rights — they would surely elect Ms. Cirinna, a 31-year-old lawyer, as their representative. As it is, she was elected to the city council as a member of the Green Party and has been assigned the task of overseeing Rome's remarkable animal-rights law, adopted in 1988.

Under the law, and in the model for national legislation now being adopted in other Italian cities, wild cats are guaran-

Roman Rumors Can't Kill Eternal Kitty

See CATS, Page 6

New Irish Government Reports Peace Talks Progress

By James F. Clarity
New York Times Service

DUBLIN — Acknowledging that there were still many problems to solve, officials of the five-week-old government of Prime Minister John Bruton say that the Northern Ireland peace effort appears to be making significant progress, particularly on the highly sensitive issue of the disarmament of the Irish Republican Army.

In addition to the disarmament issue, which is under discussion between British officials and those of the IRA's political wing, Sinn Fein, the Irish officials say that Duthio and London are close to an agreement on a new framework for broad peace negotiations involving all sides.

British officials are less sanguine on the imminence of a framework document. But the Irish foreign minister, Dick Spring, and the British secretary for Northern Ireland, Sir Patrick Mayhew, are to discuss it this coming week in London.

The Irish officials, and independent analysts, say that the disruption in Irish politics that resulted in the ouster of Albert Reynolds as prime minister in December has not slowed the effort to find a peaceful settlement to the 25-year-old state of guerrilla warfare in the British province.

The immediate goal of the Irish and British governments is to create conditions in which Sinn Fein would participate in full-fledged peace talks with the governments and with the other political parties in the North. Those include Roman Catholic nationalists, who want the province to become part of the Irish Republic, and Protestant unionists, who want it to remain part of Britain.

During the political chaos here last month, Mr. Reynolds had warned that his removal would endanger the peace process, which even his political enemies concede he did much to advance.

But, analysts say, there is so far no evidence that the process is crumbling.

Sean Donlon, a former ambassador to the United States who is now Mr. Bruton's chief adviser on the North, began work this past week. Although he has a reputation for hostility to the IRA and Sinn Fein, those groups have not attacked him publicly and have indicated they will work with him.

Mitchell McLaughlin, a senior Sinn Fein official, told the Belfast Telegraph: "John Bruton is reflecting a different attitude in government than he did in opposition. It's early days, but our experience is that we have as good contacts, if not better in some respects, as we had in the previous administration. We have no complaints. Clearly Mr. Bruton is making a genuine effort."

Officials involved in the disarmament issue have not publicly suggested how it might be solved. Britain is not insisting that the IRA surrender its entire arsenal, estimated at 100 tons of weapons, including explosives. But Britain is apparently adamant that there be

verifiable destruction of the explosive Semtex, which has been used to kill and destroy property in Britain, as well as in Northern Ireland.

Three years ago, the IRA sent letters to major European companies suggesting, if not warning, that it was able to bomb their offices in London. One way to verify destruction of explosives would be to have neutral experts witness it. These could come from the United Nations, the United States or another European country such as Norway.

■ 2 Jailed for Bombing Plan

Two men were jailed Friday for plotting an IRA bombing campaign in Britain, Reuters reported from London.

Robert Fryers and Hugh Jack were found guilty of planning a bombing campaign in 1993 for the IRA. They were caught before planting any bombs. High Court Judge Ann Ebsworth sentenced Mr. Fryers to 25 years and Mr. Jack to 20 years in jail.

WORLD BRIEFS

Mexican Governor Holds On to Post

VILLAHERMOSA, Mexico (Reuters) — The governor of Tabasco state in southeastern Mexico denied Friday that he had volunteered to step down to resolve an election dispute that has led to violence in the state capital.

"They were rumors that started in Mexico City," Governor Madrazo said in a radio interview. "I am here, working. Mr. Madrazo, who won office in November, belongs to the Institutional Revolutionary Party, Mexico's governing party. The opposition Democratic Revolution Party has alleged voting fraud in his election.

The police fired tear gas to break up a clash late Thursday between supporters of the governing party and leftist protesters in the central square of Villahermosa, the state capital. Stones were thrown and several people were injured. Villahermosa was calm on Friday.

Help Arrives for 200 in India Tunnel

JAMMU, India (AFP) — Indian Army rescuers reached a snowbound tunnel on a mountain in Kashmir on Friday to try to evacuate 200 people who have been trapped inside in subzero temperatures for several days, officials said.

The death toll from a snowstorm that has battered the northern Indian state since Monday, meanwhile, exceeded 200, and Kashmir government officials feared it could rise further.

An army team led by a general managed Friday to reach the Jawahar tunnel about 2.5 kilometers up the mountain, near the town of Banihal, to coordinate rescue efforts for the people inside, the officials said.

Canada May Disband Elite Regiment

OTTAWA (Reuters) — Prime Minister Jean Chretien said an elite airborne regiment that has shocked Canadians with racial and sadistic initiation rites captured on home video might be disbanded.

"If we have to dismantle it, we'll dismantle it," Mr. Chretien said. "I have no problem with that at all." He spoke during a visit to Trinidad in a news conference carried by Canadian television networks.

Some members of the Canadian Airborne Regiment have been convicted in connection with the brutal torture and beating death of a teenager in Somalia in 1993 when they were part of a United Nations peacekeeping mission there. This week two amateur videos broadcast by television networks showed members of the regiment making violent racist comments and brutally hazing new members.

Dini Prepares for Showdown in Italy

ROME (AP) — With no political compromises in sight, Italy's new prime minister, Lamberto Dini, prepared Friday to bring the showdown over his government to a vote in Parliament.

Debate is scheduled to begin late Monday, and a vote could come as early as Wednesday. Mr. Dini's supporters appear to have an edge, but the vote could be close.

His opponents, led by the outgoing prime minister, Silvio Berlusconi, and his rightist allies, insist Mr. Dini must promise to disband his government in time for elections in June. Mr. Dini, a former central bank executive, has indicated that he could step down in several months and call elections, but said forming a government with a time limit is unconstitutional.

U.S. Urges Algeria to Talk to Rebels

WASHINGTON (AP) — An offer by Algerian opposition parties and Islamic fundamentalists to negotiate with the government in Algiers could help end the three-year civil war, a senior American official said.

The meeting in Rome last week of opponents of the Algiers government "was a significant event, and one which we think could be built upon to find a path forward," Assistant Secretary of State Robert Pelletreau said. "We continue to counsel a path towards political dialogue and a return to political processes," he said, adding that Algeria should "try to broaden the political base of the government."

The conference in Rome, which was later attacked by the Algerian government as "outside interference," marked the first time moderate opposition and extremist forces had forged a common front.

Deng Is Reported to Be Unconscious

HONG KONG (AP) — China's senior leader, Deng Xiaoping, is unconscious in a hospital, and senior government and army officials had been asked to stay in Beijing to handle any repercussions in case he dies, news reports said Friday.

Although a Chinese government statement on Thursday said Mr. Deng was in good health for a man of 90, several Hong Kong newspapers said he had recently fallen seriously ill. The Eastern Express, an English-language daily, said Mr. Deng was admitted to a hospital in critical condition several weeks ago after a stroke.

Quoting sources in Hong Kong and Beijing with close connections to his family, the newspaper said that Mr. Deng's condition had improved and stabilized, but that he remained in a "near-vegetable state" and any recovery would be difficult.

For the Record

A Russian transport plane carrying 14 passengers and two crew members crashed shortly after takeoff in Siberia, the Itar-Tass press agency reported. There was no word on casualties. (Reuters)

Egyptian police officers shot and killed four leading members of the militant Islamic Group in a raid on an apartment in the southern village of Basqaloun, security sources said. (Reuters)

British animal rights protesters celebrated after forcing the southern port of Shoreham to ban livestock exports and prepared to continue demonstrations at Brightlingsea over shipments from that southeastern port. (Reuters)

Correction

An article in the Business/Finance section of Thursday's edition about proposed changes in U.S. communications laws that could affect Sprint Corp. incorrectly characterized the status of a proposal by Senator Larry Pressler, chairman of the Senate Commerce Committee, concerning reciprocity. The proposal has not yet been introduced as legislation. Sprint says Mr. Pressler's proposed change would not affect its planned alliance with Deutsche Telekom AG and France Telecom.

TRAVEL UPDATE

U.S. Urges Airline Spraying Warning

WASHINGTON (Reuters) — The Transportation Department has proposed that airlines and agents be required to tell potential passengers if the country they are flying to will spray their plane with insecticide before it lands.

Transportation Secretary Federico F. Peña has been trying to persuade other countries to stop using chemical spraying as a way to fight airborne disease and protect agriculture from vermin. Typically, flight attendants walk down aisles and spray the cabin just before landing. Some countries spray after the plane lands and the passengers disembark.

He said seven countries — Mexico, Jamaica, El Salvador, Chile, Cape Verde, St. Lucia and Belize — had stopped or planned to stop the practice, but many others have not. As long as some still spray with travelers on board, "we believe that passengers should be notified so that they can use this information when making their travel plans," Mr. Peña said.

Crime in New York's subways declined overall 21.7 percent last year, the police reported. (NYT)

Thousands of seagulls seeking refuge from strong winds and rains prevented planes from landing at the French Riviera airport of Nice on Wednesday evening, officials said. (Reuters)

France has inaugurated the Bridge of Normandy, which spans the Seine at Le Havre and is at 856 meters (2,808 feet) the longest cable-stayed bridge in the world. (AP)

Rush-hour traffic in London now moves at an average 10.9 miles an hour (17.5 kph). It is the first time that the traffic speed has risen since the 1960s, and is slower than the average 11 mph of the pre-automobile era. (Reuters)

France Plays Down Its Language Plan, Under Attack in EU

Reuters

STRASBOURG, France — The battle to maintain the European Union's linguistic web began in earnest this week when members of the European Parliament attacked a French plan to reduce the number of EU working languages from 11 to 5.

As members from Austria, Finland and Sweden joined the Strasbourg-based assembly for the first time since the bloc was expanded on Jan. 1, France sought to play down earlier suggestions that the EU's daily work should be confined to English, French, German, Spanish and Italian.

"France has not made and will not make such a proposal" during its current six-month presidency, France's European affairs minister, Alain Lamassoure, said in a letter.

But members from countries with lesser-known languages are taking the threat seriously, fearing that the idea could re-emerge in a scheduled 1996 review of the EU's workings.

Nana Mouskouri, the Greek singer and a member of the Parliament, who sings and speaks six languages fluently, took up the matter with Foreign Minister Alain Juppé of France.

"She expressed the hope that Mr. Juppé would support the maintenance of all the languages of the member states," she was quoted as saying in a statement.

Her colleague, Georgios Anastassopoulos, in the Greek European People's Party, agreed.

"I would find it very difficult to tell Greeks that they have no right to speak the language of their countries," he said.

Lis Jensen, a member for Denmark's People's Movement Against the European Union, said that if Danish was removed from the EU's list of working languages, Danes would certainly vote "no" in a planned referendum on strengthening the EU in 1996.

"I think it's a catastrophe for the Danish people," she said.

"Even in Danish it's very difficult to understand the Maastricht treaty."

The Danes threw the bloc into crisis in 1992 when they initially rejected in a referendum the Maastricht treaty laying down the path to EU economic, political and monetary union.

Wilfried Martens, now a Parliament member and a former prime minister of linguistically divided Belgium, said the move would turn a skeptical public opinion even more against EU. "It's a very dangerous process. Those who are against integration will use this proposal to damage European integration," he said.

The expansion of the EU to 15 members on Jan. 1 added Swedish and Finnish to the EU's language list.

As France prepared last month for its stint as EU president, Mr. Lamassoure said the EU's system of working languages would have to be reviewed as the EU expanded.

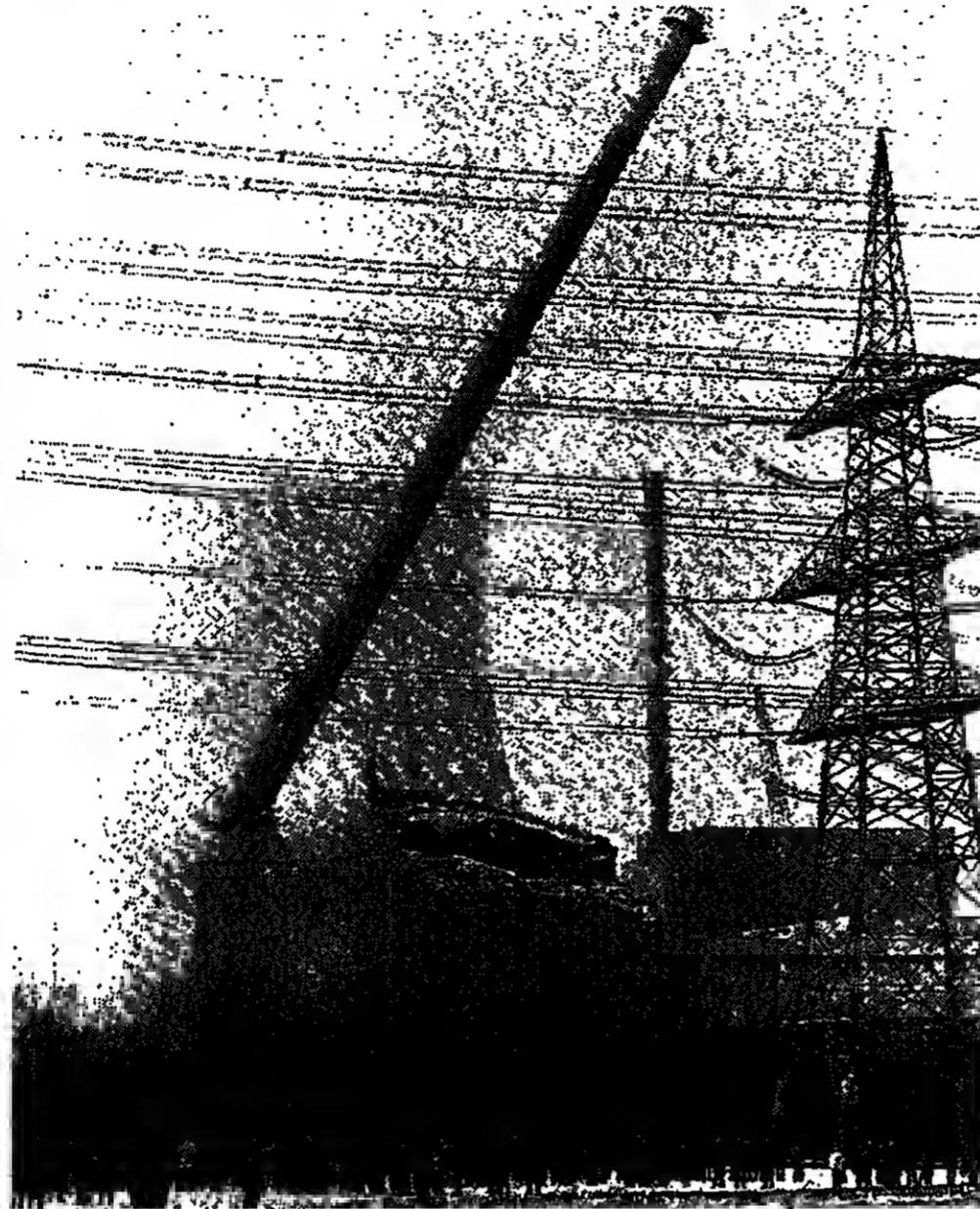
Mr. Lamassoure said the enlargement to 11 languages could result in 110 translation combinations, requiring an army of interpreters. It could be hard to find people capable of interpretation between, say, Greek and Finnish, he added.

He said the problem would become even more acute if the Union were to expand eastward, when Czech, Polish, Slovenian, Bulgarian and Romanian could join the list.

Mr. Lamassoure said the EU's first prime minister after the 1979 Islamic revolution, died of heart failure in Zurich on Friday, the official Iranian news agency, IRNA, reported. He was in his late 80s.

Mr. Bazargan led a lame-duck government that appealed for reason amid the revolutionary fervor that culminated in the takeover of the U.S. Embassy in Tehran.

Iran's ambassador to Switzerland, Mohamad Reza Alborzi, said in Geneva that Mr. Bazargan was traveling from his



HOW MUCH A WATT? — The smokestack toppling over Friday of a nuclear plant near the Bavarian town of Landsberg, Germany. The demolition of the plant, which was built for 232 million Deutsche marks and operated for all of 18 days, will cost 280 million DM.

home in Tehran to the United States for heart surgery.

The soft-spoken, French-educated engineer was a relentless campaigner for democracy and human rights for most of his life. He earned a degree in thermodynamics at the University of Paris.

When Prime Minister Mohammad Mossadegh stripped the British-owned Anglo-Iranian Oil Co. of its assets and nationalized the industry in the early 1950s, he dispatched Mr. Bazargan to head the company's operations.

After Mr. Mossadegh was overthrown, Mr. Bazargan plunged into a tireless campaign to overthrow Shah Mohammad Reza Pahlavi, whom he accused of human rights violations. He was jailed several times, including for a five-year term beginning in 1962.

This allied him with Ayatollah Ruhollah Khomeini, who assigned him to direct the oil industry strike in 1978 that crippled the main pillar of Iran's economy.

But as head of the short-lived provisional government, Mr. Bazargan was constantly frus-

trated. "They have put a knife in my hand, but it is a knife with only a handle. Others are holding the blade," he said in describing his government.

He parted company with the ayatollah over the issue of who should run the country. While Ayatollah Khomeini believed that the Shiite clergy was best suited for the task, Mr. Bazargan, a devout Muslim, believed in a government based on Islamic principles but run by laymen.

Kay Brown Barrett, 93, who as David O. Selznick's New York representative bought the film rights to Margaret Mitchell's "Gone With the Wind," died of a stroke Wednesday in Hightstown, New Jersey.

Harry Golombok, 83, a British international chess master, former chess writer for The Times of London and The Observer, and author of 38 books on chess, died Jan. 7, according to reports from London.

Emilio Serrando, 90, a pioneer of Italian psychoanalysis, died of a heart attack Tuesday in Rome.

Barbara Jelavich, 71, a prominent scholar of Eastern European history with a particular interest in the Balkan countries, died Saturday in Bloomington, Indiana, of cancer.

Bhutto to Meet With Clinton

WASHINGTON — Prime Minister Benazir Bhutto of Pakistan will meet President Bill Clinton in Washington on April 11, White House officials said. It will be their first meeting.

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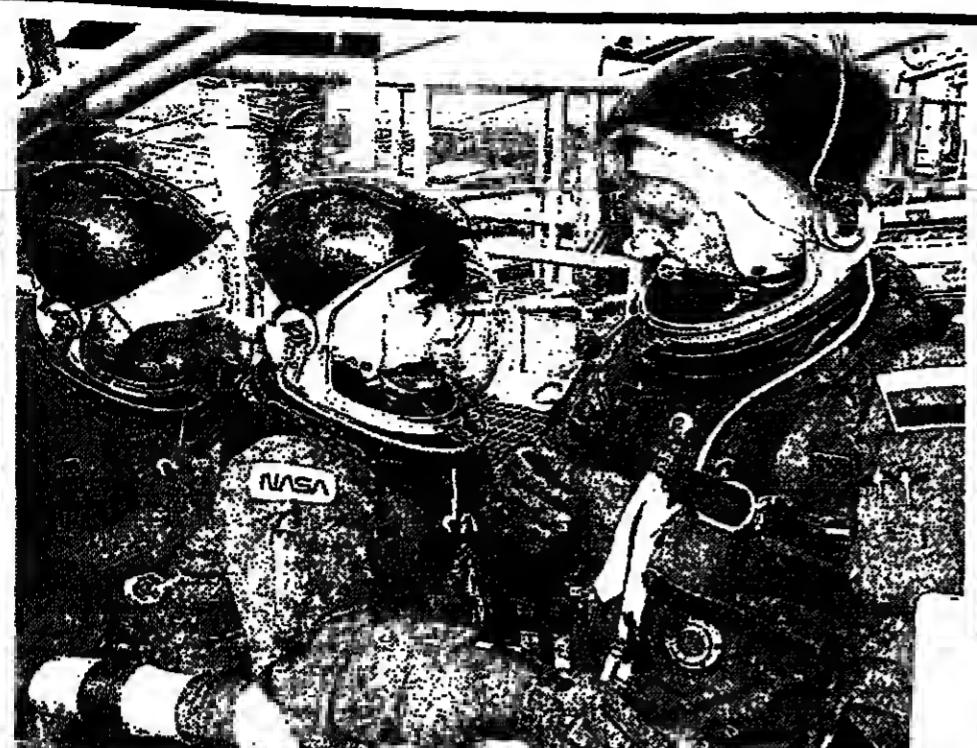
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THE AMERICAS / A WHITETE IN THE AMERICAS



TRAVEL PLANNING — Three members of the international crew of the space shuttle Discovery, scheduled to lift off on Feb. 2 on an eight-day space mission, talk things over during training at the Kennedy Space Center. From left, they are Michael Foale, a Briton; Janice Voss Ford, an American, and Vladimir Titov, a Russian.

AMERICAN TOPICS

Daytime Running Lights on Cars Beginning to Catch On in U.S.

Daytime running lights on cars are just beginning to become available in the United States, although they are required in Canada, Norway, Sweden and Denmark. There is growing evidence that they are effective even in bright sunshine.

General Motors has begun to install the running lights as standard equipment. "We've found that they do work," a GM spokesman said. Other U.S. carmakers have yet to decide. For now there is no pressure from the federal government. The New York Times reports, although the National Highway Traffic Safety Administration is studying the lights' effectiveness.

Daytime running lights come on automatically when the car is started and put in gear. They work by operating the high-beam bulb in the headlights but at a lower level of illumination. Parking and other outside lights are not turned on.

By some estimates, daytime lights will add as little as \$3 per vehicle if installed on the assembly line.

A recent study in Canada found that vehicles with daytime lights were involved in 11 percent fewer accidents with other vehicles.

Avis, in a study of its U.S. rental fleet, found that cars with daytime lights were in fewer daytime two-car accidents in all sorts of situations, including bright sunshine.

Short Takes

A man who said a sleep disorder caused him to accidentally shoot his wife was sentenced to life in prison without parole. Michael Ricksers, 37, of Butler, Pennsylvania, said he woke up with a .357 Magnum pistol in his hand and his wife, Janet, bleeding to death beside him. He claimed he suffered from sleep apnea, a common ailment in which breathing is interrupted during sleep.

Two doctors called by the defense testified that sleep apnea could have caused Mr. Ricksers to shoot his wife. A psychiatrist testifying for the prosecution said this was unlikely. Prosecutors contended that Mr. Ricksers killed his wife because she was about to leave him.

M&M-Mars, which introduced its brown, yellow, orange, red, green and tan hard-shelled chocolate drops in 1940, is asking shoppers to vote on whether a new color should be added. Ballots are available whenever the candy is sold. The choices are pink, purple, blue or no change. Different-hued mixes are introduced four times a year: Christmas, Valentine's Day, Halloween and Easter. Otherwise, there has been no change since 1949, except for the decadelong absence of the red piece. Red was removed because of a scare over food dye and restored in 1987.

International Herald Tribune

'Moral Certainty' Is Out at Simpson Trial

Los Angeles Times Service

LOS ANGELES — In what could be a significant victory for the prosecution, Judge Lance A. Ito has told prosecutors that he plans to drop a requirement that they prove their case "to a moral certainty" to win murder convictions against O. J. Simpson, according to sources close to the case.

Judge Ito made known his plan to drop the phrase from a standard jury instruction during a closed-door session with lawyers from both sides, the sources said.

The prosecution had sought to delete any reference to "moral certainty" from the jury instructions, and the defense had fought to keep it in.

Jurors in criminal cases in the United States have been in-

POLITICAL NOTES

Speaker Trips on Path To Balanced Budget

WASHINGTON — The House speaker, Newt Gingrich, promised to give voters something that the White House and congressional Democrats had been demanding of him for weeks: an explicit description of how the majority Republicans plan to erase the \$200-billion-a-year federal deficit by 2002.

But he quickly backtracked after the chairman of the House Budget Committee, Representative John R. Kasich of Ohio, said the promise could not be fulfilled.

Mr. Gingrich made public a letter sent to President Clinton that urged him to propose new

spending cuts in his next federal budget under the assumption that a constitutional amendment mandating a balanced budget within seven years would be approved by Congress and ratified by the states.

Asked if the Republicans were willing to make similar proposals, he said that the House Budget Committee this spring would present a "clear path," a "step by step" plan to eliminate the deficit in seven years.

Seconds later, however, Mr. Kasich said this was not precisely true.

Rather, he said, the Budget Committee will present "a five-year budget plan for how we get the road map to get us on a glide path to zero." (NYT)

his former wife, Nicole Brown Simpson, and her friend Ronald L. Goldman.

Another issue that Judge Ito must resolve before Monday, when opening statements are scheduled in Superior Court, is what, if anything, the lawyers will be able to say in their presentations about Detective Mark Fuhrman of the Los Angeles Police Department.

The detective testified during

Mr. Simpson's preliminary hearing that he had found a bloody glove at the rear of one of Mr. Simpson's guest houses that matched a glove found at the murder scene two miles away.

Lawyers for the former football star have aggressively challenged Mr. Fuhrman's credibility and hope to be able to raise

questions about it before the jury.

Specifically, the defense wants the jury to hear about racial slurs the detective allegedly made as part of a disability hearing more than a decade ago, racially derogatory statements he is said to have made to a real estate agent, and his alleged improper actions during the arrest of a robbery suspect in 1988.

Judge Ito has said he was not inclined to admit statements Mr. Fuhrman allegedly made to two city psychologists on separate occasions or the allegations from the 1988 incident.

He indicated, however, that he might rule in favor of the defense on the comments to the real estate agent.

of values, the reformulation of the Democratic Party, the future of the American state in the information age and more.

Joining him was a distinguished list of writers and thinkers on contemporary American problems, including Theda Skocpol, author of a book on welfare reform; Robert Putnam, of Harvard University, who recently published a treatise on the breakdown of civic America titled "Bowling Alone"; Paul Starr, a Princeton University scholar and health care specialist; and Os Guinness, a sociologist and religious thinker. (WP)

Quote/Unquote

Representative Nita M. Lowey, Democrat of New York, during a House committee session on the future of government funding of public television: "Make no mistake about it, this debate is about Big Bird and Oscar the Grouch and Barney and Kermit and the new Republican majority that would put them on the chopping block." Mr. Rogers' Neighborhood is much more popular than Gingrich's. Sesame Street is a far healthier environment for children than Capitol Hill and the Muppets are far more popular than this Congress. (NYT)

Away From Politics

Chief Warrant Officer Bobby Hall, whose U.S. Army helicopter was shot down after it strayed over North Korea, is returning to his unit in South Korea next week and will resume flying, an indication that he is being cleared of negligence in the incident, Pentagon officials said. (WP)

An experimental jet fighter wrapping up a test flight crashed in the desert north of Edwards Air Force Base in California after the pilot safely ejected. Karl-Heinz Lang, a German Defense Ministry pilot, parachuted to safety and was taken to a hospital for examination. The jet — a NASA X-31 — was developed jointly by Rockwell International Corp. and Deutsche Aerospace. (AP)

The parents of a teenager who died with her 1-year-old daughter in the fire that destroyed

the Branch Davidian compound in Waco, Texas, have filed a \$52 million wrongful death lawsuit against the government. (AP)

A Nevada gaming regulator was arrested with another man on charges of hitting a \$100,000 keno jackpot in Atlantic City, New Jersey, using a highly confidential computer code. Ronald D. Harris was dismissed as an electronics expert for the Nevada Gaming Control Board after his arrest. (AP)

Women who provide eggs have the sole right to determine the embryo's fate, a New York State Supreme Court justice has ruled. The ruling contradicts the findings of the Tennessee Supreme Court in a similar case and is expected to lead to widespread debate in the legal and medical community. (NYT)

The time it takes to approve new drugs dropped 20 percent to 50 percent in a year, the Food and Drug Administration said. (NYT)

A Son of New Deal Is Clinton's Political Point Man

By Todd S. Purdum
New York Times Service

WASHINGTON — Harold M. Ickes has survived some of the harshest Democratic Party wars of the last quarter-century, but he recently passed a new sort of milestone. With 54 weeks of service, he is now the longest serving deputy chief of staff in the history of the Clinton White House, which has had five of them.

Not that he has had it easy. The three main tasks of his tenure — legislative stewardship of the president's health care plan, damage control on the Whitewater inquiry and strate-

gy for the midterm elections — all came tingled, if through no particular fault of his own.

But as President Bill Clinton gears up for what is sure to be a difficult re-election campaign, no one is more central than Mr. Ickes, a canny New York labor lawyer who helped him get elected in the first place. He led Mr. Clinton's New York primary campaign, was floor manager at the Democratic National Convention and deputy director of his transition team, and now seems all but certain to play a crucial role in 1996.

Mr. Ickes is a son of the New Deal — his father, Harold L.

Ickes, the "Old Curmudgeon," was President Franklin D. Roosevelt's interior secretary — and his mastery of party rules, platform procedure and ballot-access arcane is seen as strong insurance for Mr. Clinton's re-nomination.

But those same liberal credentials also make Mr. Ickes a lightning rod for Democratic critics who accuse him of leading Mr. Clinton astray just when the president must win back centrists. His reputation for sharp dealing has led others, especially Republicans, to accuse him of eliding the niceties of etiquette. He dismisses both

notions with characteristic plain-spokenness.

"There are people who have political axes to grid, with either me or the president, so they will find any twit they can to hang something on," he said the other day.

"If you check around, I think you will find very few people in the White House who think I'm prosecuting a liberal agenda. My job is to give Bill Clinton my judgment of what is best for him and the country."

In a shifting cast, he is a constant, a longtime friend of both the president and his wife and trusted to a rare degree by both.

His influence has been clear, from the selection of Senator Christopher J. Dodd as general chairman of the Democratic Party and Don Fowler, a veteran South Carolina party leader, as day-to-day chairman, to Mr. Clinton's proposal for a "Mid-Grade Class of Rights" of tax breaks.

Together with Erskine Bowles, the other deputy chief of staff, who handles operations, Mr. Ickes is at the center of the efforts of the president's chief of staff, Leon E. Panetta, to impose greater discipline on the chaos of White House.

He remarks — later struck from the record — prompted a two-hour partisan imbroglio. Her accusation that profited from his book arrangement was remarkably tame compared with the accusations Mr. Gingrich leveled against Mr. Wright on the House floor.

In September 1988, for example, he accused Mr. Wright of revealing government secrets about U.S. provocations against the Nicaraguan government of Daniel Ortega.

Speaker Wright either violated the American secrecy requirements and leaked America's secrets, or Speaker Wright in public was saying something which was untrue," Mr. Gingrich in a floor speech.

Accusing Mr. Wright of a "betrayal of America's friends and allies," Mr. Gingrich said: "In World War II, I guess, 'collaborator' or 'quisling' would have been the closest terms."

Although Mr. Gingrich was more temperate in using the floor to attack Mr. Wright on ethics charges — preferring to insert critical editorials into the Congressional Record rather than speaking himself — he was relentless in outside speeches and appearances.

On Nov. 16, 1987, in a speech to Florida Republicans, Mr. Gingrich characterized Mr. Wright as a "genuinely corrupt man" and accused him of "money laundering."

"Wright is so consumed by his own power that he is like Mussolini," he also said, according to an account in the Miami Herald.

decided views, who feels passionately about things and pursues them aggressively," said Mr. Torricelli, who tangled bitterly with Mr. Ickes in 1980, when as head of the convention's rules committee he supported President Jimmy Carter and Mr. Ickes worked for Senator Edward M. Kennedy.

"There are people who are best suited to give you private advice, and others best suited to represent you in public, and Harold is definitely the former.

"No matter what Harold's ideology might be, or whatever vendettas he feels from previous campaigns, his principal agenda should be to broaden the reach of the Clinton White House, and that remains to be done."

Mr. Ickes says that is what he is trying to do. He notes that despite his deep opposition to the death penalty, for example, he never tried to alter Mr. Clinton's support for the crime bill that imposed it for about five dozen new offenses last year.

Before joining Mr. Clinton, a friend from their days protesting the Vietnam War, Mr. Ickes was a fox terrier in the service of losing liberal presidential contenders, from Eugene J. McCarthy to the Reverend Jesse L. Jackson. It was almost solely on his say-so that some liberal New York politicians, who otherwise looked askance at a pro-death penalty governor from a small state, agreed to back Mr. Clinton in 1988.

But his friends say caricatures of him as a wild-eyed ideologue are vastly overdrawn. "He's a very practical guy," said Representative Thomas J. Manion, a moderate New York Democrat and Queens County party leader.

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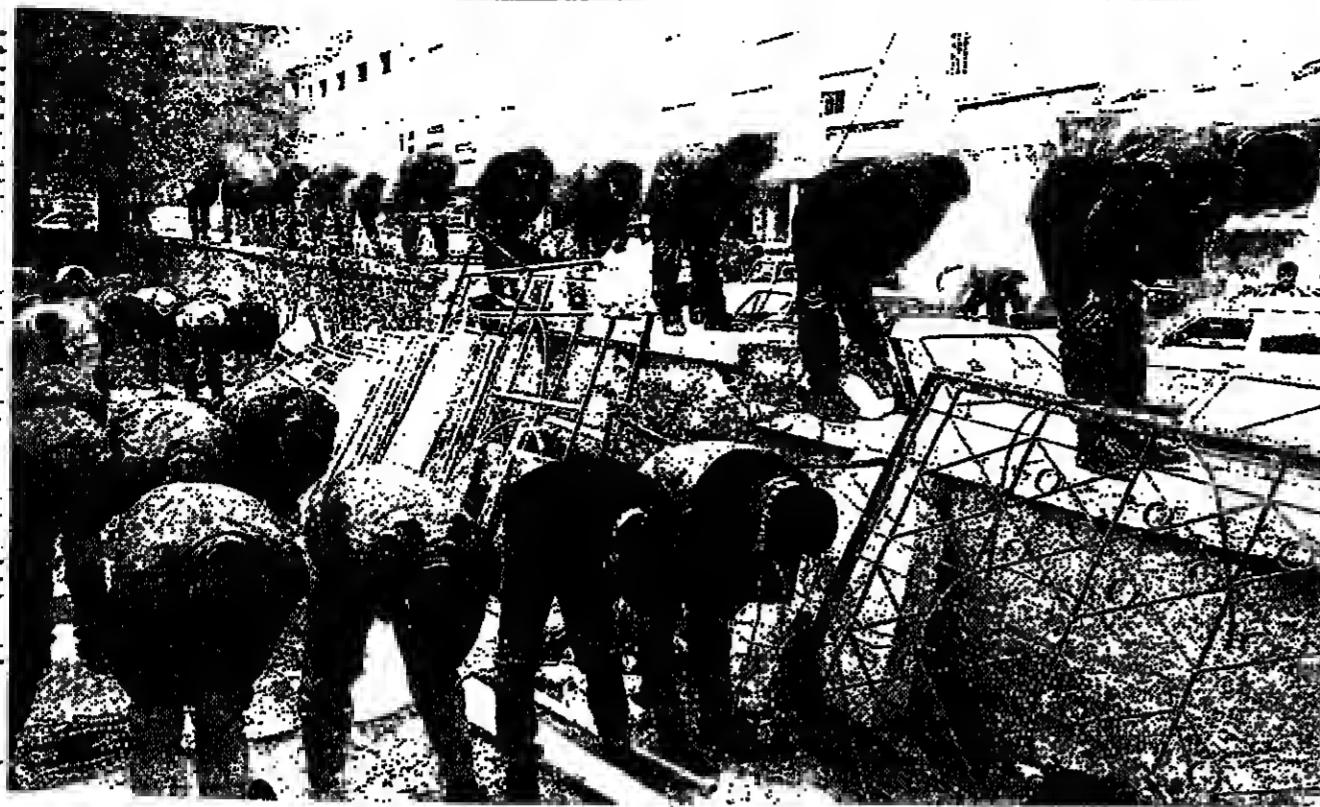
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Palestinian Muslims praying outside an overcrowded mosque Friday in the West Bank city of Ramallah. Palestinian leaders said that they were not satisfied with Israeli commitments to freeze construction of new Jewish settlements.

Showdown Over Jerusalem Settlements

By Clyde Haberman
New York Times Service

JEZREEL VALLEY — Israel's Labor-led government was battered by political storms Friday over whether its freshly affirmed halt to new settlement construction in the West Bank includes Jewish towns that ring Jerusalem.

If it does, settler representatives warned, they will consider it a "virtual declaration of war," and step up their protest actions to bring down a government they have long considered hostile.

Even within Prime Minister Yitzhak Rabin's cabinet, some ministers expressed concern about the possibility of construction being stopped around Jerusalem, an action they said could weaken Israel's long-standing claim to the city as its capital and fully under its sovereignty.

Housing Minister Benjamin Eliezer, normally a Rabin ally, said he would band the cabinet plans for 8,000 new apartments in Jewish communities just outside Jerusalem.

A showdown on the issue, with uncertain results, is ex-

pected at the government's weekly meeting on Sunday.

Settlements remain an explosive and pivotal issue in the troubled peace talks between Israel and the Palestinians.

But it is unclear to many on both sides what exactly Mr. Rabin's policy is.

On Thursday, he sought to give the negotiations fresh momentum by assuring Yasser Arafat, the Palestinian leader, that he would permit no new settlements and would tightly control construction in existing ones in the West Bank.

Although not fully satisfied, and under pressure from some of his lieutenants to call off talks with Israel until the building stops, Mr. Rabin signaled that he wanted to avert a crisis.

On Friday, it was the turn of the Likud-led opposition to be dissatisfied.

The biggest question mark hung over the prime minister's stand on Jewish towns in the West Bank that are close to this city and that many Israelis consider part of "Greater Jerusalem," an area they believe must be built up for it to stay in Israel's hands.

Although he took office in

1992 pledging to curtail the aggressive settlement-building of his Likud predecessor, Yitzhak Shamir, Mr. Rabin allowed for exceptions, including near Jerusalem. He also said he could account only for government spending and that privately financed construction was beyond his control.

As a result, even under this Labor government, West Bank settlements near Jerusalem have continued to grow vigorously — notably Maale Adumim to the east, Givat Ze'ev to the northwest and Efrat to the south.

This has produced strong Palestinian protests that Israel was swallowing up land so fast that there would be little left, even if Palestinians succeed in getting authority over the West Bank.

To mollify Mr. Arafat and also leftist critics in his own cabinet, Mr. Rabin agreed on Thursday to create a new committee of ministers to monitor even private construction.

This week he also began backing away from the concept of "Greater Jerusalem," suggesting strongly that he would not distinguish between settlements around the city and those in remote areas.

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On Friday, they assigned a team of cabinet ministers to try to resolve the matter.

They also agreed to make a "fresh start" on a tangled personal relationship that has often been productive, usually correct, but occasionally acrimonious.

Mr. de Klerk disclosed that in five years of working closely together on South Africa's transition from apartheid to democracy — work that jointly won the 1993 Nobel Peace Prize — he and Mr. Mandela have never once dined together.

It is doubtful they will ever warm to one another. During

Mandela and de Klerk Make Up After Spat

But Dispute Over Amnesties Exposes Government Fissures

By Paul Taylor
Washington Post Service

JOHANNESBURG — President Nelson Mandela and Deputy President Frederik W. de Klerk shook hands, smiled for the cameras and made up on Friday, but an ugly spat earlier in the week has exposed deep fissures in South Africa's unitary government.

After meeting at Mr. Mandela's official residence in Pretoria — which until last April had been Mr. de Klerk's official residence — the two men issued a statement in which they formally accepted "one another's good faith and integrity."

No apologies were sought or offered for what Mr. de Klerk had earlier described as "vicious insults" leveled at him by Mr. Mandela at a cabinet meeting on Wednesday.

Now did the two leaders settle the dispute that led to the outburst — whether amnesties for political crimes granted to 3,500 policemen and two former security ministers in the dying days of Mr. de Klerk's presidential term are valid. Mr. de Klerk says they are; Mr. Mandela says they are not.

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Mr. de Klerk disclosed that in five years of working closely together on South Africa's transition from apartheid to democracy — work that jointly won the 1993 Nobel Peace Prize — he and Mr. Mandela have never once dined together.

It is doubtful they will ever warm to one another. During

democracy negotiations and the ensuing political campaign, Mr. Mandela frequently played to his militant gallery by attacking Mr. de Klerk's integrity and treating him as a whipping boy. Mr. de Klerk, cowed by Mr. Mandela's moral stature, rarely struck back.

Now the two are serving together atop the government, and Mr. Mandela continues to find Mr. de Klerk a useful target.

As the African National Congress — the dominant partner in the coalition government — starts to find itself under grass-roots pressure for failing to deliver on its promises of houses and jobs and crime reduction, it is beginning to lay the blame on what it terms obstructive within the civil service, the security forces and Mr. de Klerk's National Party.

That, according to sources, was the thrust of Mr. Mandela's cabinet attack on Wednesday.

"At some point the ANC is going to have to justify its failure to deliver, and de Klerk becomes the obvious fall guy," said a political scientist, Hermann Giliomee. "I really can't see de Klerk staying around much longer if that's going to be the game."

According to party sources, an enraged Mr. de Klerk came close to resigning as deputy president and handing over his government position to a more junior National Party leader, so as to reduce his party's political identification with the coalition government.

As long as it remains within the coalition, the National Party cannot be a credible opposition force. Many political analysts say they now believe Mr. de Klerk will pull out of government.

In South Africa's founding democratic election last year, the ANC won 63 percent; they have the votes to prevail on every issue. But during the pre-election democracy negotiations, they agreed for five years to govern in a forced coalition with minority parties. The National Party has six seats in the 27-member cabinet; the mainly-Zulu Inkatha Freedom Party has three, and the ANC has rest.

The only real leverage the National Party has in this arrangement is the threat of leaving. If it pulled out, it might upset the military, the civil service and the business community — South Africa's key white-dominated institutions.

But then again it might not, as the ANC has been building bridges to all those sectors.

UN Effort Stalls In West Sahara

TINDEOUF, Algeria — A United Nations-led peace process to end the 20-year-old war in Western Sahara has broken down over allegations by the pro-independence Polisario Front that Morocco has detained a key figure in the peace plan.

"At some point the ANC is going to have to justify its failure to deliver, and de Klerk becomes the obvious fall guy," said a political scientist, Hermann Giliomee. "I really can't see de Klerk staying around much longer if that's going to be the game."

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drew in 1975. It has accused Morocco of detaining one of the dozens of Saharan sheikhs who help UN officials to certify potential voters.

Saudis Carry Out Beheading of 3

Reuters

DUBAI — Three Filipinos accused of killing three persons after breaking into the house of a Saudi businessman last year were beheaded in Saudi Arabia on Friday, a diplomat said.

A Filipino diplomat in the Saudi capital of Riyadh said by telephone that he had heard the news on the local radio but that the embassy had not been officially notified of the executions.



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Fra Bartolommeo Comes to Light

International Herald Tribune

PARIS — Masters in the two-dimensional arts whose greatness lies in their drawings, not their paintings, are treated unkindly by art history. They become non-persons, unknown to all but a few specialists.

Take Fra Bartolommeo. It took almost 500 years after his death, in 1517,

SOUREN MELIKIAN

for a show to focus on his oeuvre in French collections. Sort of.

"Fra Bartolommeo and His Workshop," at the Louvre until Feb. 13, is as much an attempt to sort out his drawings, as represented in French museums, as a flat statement. Not that his sketches are reputed to be in short supply. More than 1,000 sheets, many with drawings on both sides, are recorded with his name attached to them. The aesthetic vision they reveal is utterly different from the image projected by his bland paintings.

It is as if this man, who withdrew from a life full of sound and fury to a monastic retreat, had henceforth refused to commit himself publicly. Sancti di Jacopo was born in Florence in 1472, the son of a muleteer and a mother called Bartolommea, hence his nickname Bartolommeo. The exact circumstances that led to the boy's admission into the studio of Cosimo Rosselli on the recommendation of a sculptor are not known. He must have been gifted enough. In 1485, he was handing over to his master

payments received from the monks of San Ambrogio for some frescoes he had done. Within six years, he opened a studio with his fellow student Mariotto Albertinelli, who was to be a lifelong friend.

This first partnership, later followed by others, did not last. Florence was in turmoil. The Dominican monk Savonarola was denouncing the corruption of the church and the entire establishment. In November 1494, the Medici were thrown out, banished. A Grand Council voted in a constitution, which Bartolommeo fervently supported. Somehow, he found time to paint an "Annunciation" dated 1497, in the Volterra cathedral.

But civil war was in sight. That year, on May 12, Savonarola was excommunicated by Pope Alexander VI. Bartolommeo, unimpressed, stood by his leader. When Savonarola inveigled against licentious art, Bartolommeo took all his sketches of nudes to burn them publicly — as did Bonicelli and Lorenzo di Credi.

Eventually, Savonarola, threatened by crowds stirred up by Medici agents, took refuge in the monastery of San Marco of which he had become prior in 1491. Bartolommeo followed him and had a traumatizing experience. Terrified by the storming of the monasteries on April 8, 1498, he vowed to enter the order if he came out alive. Repression was beginning. On May 23, Savonarola, accused of heresy, was burned at the stake.

The artist may have remained faithful to his ideals, but he was powerless. Life was going on. In 1499, he signed a con-



Study of a leafless tree.

tract for a fresco on "The Last Judgment" commissioned by the Hospital of Santa Maria Nuova. Careful studies of skulls and bones in the show may reflect his mood as much as artistic necessity. Things were calming down. In the summer of 1500 Leonardo returned to Florence from his Milanese exile. But Bartolommeo did not swerve from his decision. He became a novice in the monastery of San Domenico and a year later took his vows as a friar called Fra Bartolommeo.

It is not easy to assess the impact that these violent events had on Bartolommeo's oeuvre. The artist's paintings remained firmly conventional. His drawings, by contrast, display a versatility, an inventiveness, and often a vigor, that seem to be those of a different man. Chris Fischer, the Danish scholar who wrote the catalogue and has investigated in depth Bartolommeo's graphic oeuvre, has tried to work out a chronology largely based on the clues provided by the finished paintings for which the drawings were preliminary studies.

BUT that method sheds no light on the early years, from about 1490 to 1497. He would seem to have been much influenced by sculpture. His small studies of figures have a timeless monumentality, with no attention to space or context. He was fascinated by North European engravings. Taking a print by Martin Schongauer, he reduced it to a few sculptural figures, changing it utterly.

He looked closely at another print, by Dürer, "Hercules at the Parting of the Roads," and copied two sections of the background landscape. All this, done in

somehow, something eludes us. We know too little about Fra Bartolommeo, despite the illusion of abundance.

minute, scrawling strokes, transforms the supposed "copy" into something quite different. Out of this emerged an original manner in pen and brown ink. Its sense of rhythmical, rolling movement, and its lightness make it unique.

In a study for "The Last Judgment," three naked women seem to be swaying in some gale while a standing archangel bends over them, holding up a sword with both hands. High up in the air, two winged figures float and bounce like strange apparitions.

This manner culminated in a group of sketches for "The Annunciation" completed in 1503. In one, an angel bends forward, clad in drapes that whirl and swirl. With its arms crossed over the chest, its head bent and its eyes deferentially cast down, it exudes an alacrity that has the ring of a hallelujah.

Much the same lightheartedness is conveyed by a group of landscapes considered to be dating from the 1500s. Some show mountainsides handled like piled up rocks with trees perched on top. They are so unusual that Fischer felt compelled to look for a possible source in the Byzantine tradition. This would not appear to be the case. A closer parallel is found in Iranian manuscript painting, well represented in Venice by them — Venetian bookbinding in the early 16th century offers straight copies of standard patterns from Iran.

But just as he transformed Dürer and Schongauer, when supposedly "copying" their work, so did this eccentric man metamorphose the Eastern source. The format and the relation of volume to space remain, but the overall composition and the handling are utterly idiosyncratic. The studies of single leafless trees, in particular, rank among the masterpieces of 16th-century Western drawing.

How the transition was made from that style to the manner illustrated by the study for "Virgin Enthroned With Saint Anne and Nine Saints" is difficult to imagine. This is another world. Standing figures done in thick strokes of black chalk look like dark shadows. The date is not later than January 1513 when the "Pala" of the Grand Council was completed in its present stage.

Badly torn but less rubbed, a drawing in the same general mood belongs to a related group of compositional studies.

The monumentality of the standing figures in this sketch for "Holy Conversation" combines with a rhythmical feel conveyed by the black chalk strokes.

This sketch appears to have inspired the vast picture on panel depicting "The Mystic Marriage of Saint Catherine of Siena," 257 by 228 centimeters (101 by 90 inches). The general scheme is similar. But the battered sketch on loan from the Lille museum is as powerfully expressive as the finished picture, suavely ornate, is lifeless. One is a great work of art, the other an outsized church prop.

Somehow, something eludes us. We know too little about Fra Bartolommeo, despite the illusion of abundance.



Detail of a sculpture in wood and metal, relating to the Dogon myth of creation.

A Superb Dogon Legacy

By Michael Gibson
 International Herald Tribune

PARIS — In yet another superbly chosen and presented exhibition of African art, the Dapper Museum has turned its attention to Dogon sculpture.

The Dogon people settled in the southwest part of Mali, possibly as early as the 13th century, after more than a century of wandering, apparently undertaken to escape pressure to convert to Islam.

The area where they have been living for seven centuries, mingled with a number of other peoples, is divided by an impressive, beetling cliff, about 260 kilometers (160 miles) long, under which (or into which) they have, over the centuries, built granaries, sanctuaries, houses and small terraced gardens.

There, the Dogon, who now number about 500,000, came upon another people, referred to as the Tellem ("those who were there before"), and a number of works on view at the Dapper museum are attributed to these people who still live in the area.

The sculptures represent seated couples, mother and child groups, standing figures with raised arms, masks, pillars (with heads), granaries, doorways, equestrian figures, headrests and Y-shaped "chairs." They are wonderfully sober and expressive.

The splendid hieratic couples, of which there are several outstanding specimens in the exhibition (which runs through April 10), touch upon the Dogon creation myth preserved in the oral tradition. It takes the shape of an unusually dense narrative, which begins: "In the beginning, before all things, was Ama, God, and he rested on nothing." The text may remind one of Genesis, but what

comes next clearly does not. Ama is an androgynous entity, and it is he/she who is represented in these sculptures in the Edenic shape of an innocently incestuous brother-sister couple.

Another recurrent theme represents a standing figure with arms raised. Frequently described as a "supplicant praying for rain," it is also thought to reflect a later episode of the creation myth.

The twofold figure of Ama, it appears, produced several placentas, each containing twins of opposite sexes, in the shape of catfish. One of these, Ogo, the male twin, got impatient and, in trying to reach his sister, broke out of the placenta, unfortunately impregnating the earth, his mother, in the process.

This primal fault called for sacrificial reparation, and Ogo's innocent brother was impaled, arms raised, to a forked tree and cut to pieces. Ultimately, Ama brought him back to life in the form of twins of opposite sexes. The figure with raised arms is consequently said to represent the Nommo, or re-deciding twin.

On the occasion of the exhibition, the Dapper Foundation took the initiative of scientifically dating 22 of the works, using such techniques as dendrochronology and carbon 14. One was dated around 960, one around 1350, while the majority were found to date from the 16th to the 19th centuries. These results were surprising since it is widely assumed that most surviving pieces of African art do not hark back beyond the 19th century.



Standing figure with raised arms, a recurring theme.

Study for an "Annunciation" by Fra Bartolommeo.

Andres Serrano: Method and Shock Value

By Celia McGee
 New York Times Service

NEW YORK — One evening two months ago, a number of Christian organizations gathered for a candlelight vigil outside the Institute of Contemporary Art in Philadelphia to protest the debut of Andres Serrano's first museum retrospective.

Arriving from New York for the opening, Serrano wished the marchers briefly. "I asked them what was going on," he said, "and they explained that it wasn't right for the public to see this work. They weren't going inside to see it either, because they knew it was blasphemous." In his courtly and gentle manner, Serrano wished them luck.

"A few weeks later," he said, "one of the marchers eventually went to the show and wrote in the comment book that he felt guilty for not being offended. That's very telling — most people criticizing my work have never seen it."

Now, through April 9, "Andres Serrano: Works 1983-1993" can be seen at the New Museum of Contemporary Art in Manhattan: early Clichés from a series of melodramatically posed tableaux, more abstract compositions and the "Immersions" series including his notorious crucifix suspended in urine, close-ups of guns and portraits of outcasts, misfits and the dead.

"Andres has been innovative," said Marcia Tucker, the director of the museum, "because his art opens up into so many issues of popular culture and taste, of the intersection of belief and disenfranchisement, and about the spiritual and

physical body. He puts together things that people have strong reactions to."

Like Robert Mapplethorpe, Cindy Sherman and others, Serrano, 44, has used some of the most visually seductive, normally harmless imagery available to address — and challenge — religious and sexual, political and moral taboos.

Pretty pictures made with blood, soil, semen and urine court controversy. And it did.

In 1989 Senator Jesse Helms, among others, denounced Serrano and an exhibition financed by the National Endowment for the Arts that included his work, and cited Serrano as a reason for eliminating the endowment itself.

PERCHED on the neo-Gothic, velvet-draped bed that dominates the front room of his apartment in the Fort Greene section of Brooklyn, Serrano has tuned his television set soundlessly to a 24-hour broadcast of "Leave It to Beaver," a favorite show during his boyhood.

Then he lived in Williamsburg, Brooklyn, with his African-Cuban mother. After his Hindu father left for good, his mother often disappeared as well, hospitalized for psychotic episodes in which she heard religious voices.

"It's a really insightful show," Serrano said. "Ward Cleaver would say things to his sons that were great." Serrano is all for father figures.

Authoritarian figures, on the other hand, don't sit so well with him, especially when it comes to passing artistic judgment. The authority he has

questioned longest is that of the Roman Catholic Church; his work has been both a quarrel with the institution and an attempt to find a more personal, folkloric Christianity.

The church's policies, he said, are "at least indifferent to human need, and at worst, malicious and intolerant."

He has created pictures of sinister, haughty clergy, and has photographed cheesy, mass-produced crucifixes oozing blood. Plexiglas crosses encasing milk as a symbol of purity and mother love, and Christ and Madonna figures immersed in the bodily fluids that he felt returned an earthly dignity to artifacts he considered cheapened by commercialization, and that addressed such crises as AIDS.

A high school dropout at 15, he enrolled briefly in art school at 17, and became a drug dealer and addict at 20. A wife and infant daughter were already history. At 28, he kicked his habit and took up art again. "I felt a biological clock inside me saying that if I was still on drugs at 30, I wouldn't fulfill my destiny to be an artist," Serrano said. He joined the radical artists' collaborative Group Material and is still a member. Yet he remains a loner.

"I like to go out at night to clubs with loud music where I'm around a lot of people. I don't have to talk to," he said. He and his wife, the artist Julie

Ault, keep separate apartments.

None of his work is blasphemous, he says. "You can't have the sacred without the profane. I wouldn't be so obsessed with Christianity if I didn't have a feeling for it, and I find it strange when people call me an anti-Christian bigot. What is wrong is to make something that isn't beautiful."

The Church too is "a temple of beauty," he says. "When other people travel they take pictures. I visit churches and buy religious things." His apartment is an wonderland of priestly vestments, a bishop's throne, candelabra, stained glass and holy pictures that occasionally double as props for his art.

The text may remind one of Genesis, but what

comes next clearly does not.

Ama is an androgynous entity, and it is he/she who is represented in these sculptures in the Edenic shape of an innocently incestuous brother-sister couple.

Another recurrent theme

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INTERNATIONAL Herald Tribune

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Earthquakes Yet to Come

Could a Kobe-scale disaster happen in America? More than 4,000 people are dead, 23,000 injured and 300,000 homeless. Nearly 40,000 buildings have been destroyed and property losses amount to about \$50 billion. Indeed it could. Earthquakes, which strike without warning, can inflict enormous destruction anywhere.

Each full point on the Richter scale represents a tenfold increase in energy released. Last year's Los Angeles quake measured 6.8. The Kobe quake at 7.2, was more than twice as powerful. Seismologists say a 7.5-magnitude quake, many times more powerful than Japan's, is a realistic possibility for Los Angeles.

An earthquake's destructiveness depends not just on the energy it releases but on other factors like the type and depth of the earth's movement, the direction of the shock wave, and the type of rock or soil it passes through. More controllable are reinforcement and flexibility standards for buildings, roads and bridges in earthquake zones. Such structures can be made earthquake-resistant, but never fully earthquake-proof. Past a certain threshold, highway overpasses will buckle, bridges will crack, buildings tumble, underground utility lines burst and explode.

Japan's current construction standards

are comparable to those used in earthquake-prone areas of America. But these apply only to buildings built after 1971. It is still too early to determine how well Kobe's newer buildings withstood Tuesday's shock, but any lessons learned there will need to be applied in America as well.

Kobe is the main port of the Kansai, one of Japan's two main urban industrial regions. It is closely linked to the nearby metropolis of Osaka and the architectural treasures of Kyoto and Nara. All felt the quake, but the destruction was concentrated in Kobe, a city of 1.4 million. What happens economically when one of the world's top industrial powers has its No. 2 port shattered? No one really knows. Forecasters say the destruction could be more than balanced by the stimulus of new construction. Japan is emerging from a long recession and could use a boost. The likely rise in domestic demand should reduce Japan's internationally unpopular trade surpluses.

Japan has most of the resources it needs to recover from this disaster. But the offers of help from around the globe, including the United States, are important. They express the compassion that unites us all in our vulnerability to such cataclysms.

— THE NEW YORK TIMES.

Smithsonian Follies

That's some mess they've got themselves into at the Smithsonian's Air and Space Museum. Veterans' groups and several congressmen have called for scrapping of the museum's planned 50th anniversary exhibit of the fuselage of the Enola Gay, the B-29 that dropped the first atomic bomb on Japan. They further demand the resignation of the Air and Space Museum's director, hearings into the exhibit's development and a possible removal of the aircraft to a neutral location. Smithsonian Secretary I. Michael Heyman responded on Thursday by agreeing that the full Smithsonian board of regents, in its scheduled meeting on Jan. 30, will take up and "fully discuss" the question of whether and how to proceed with the exhibit, slated to open in May but bogged down from the first in denunciations of its incredibly propagandistic and intellectually shabby early drafts and then in denunciations of the denunciations from defenders of those on the other side.

Vigorous debates over history are one thing, but the progress of this one has been of a different, awful order, even given a topic that is intrinsically raw, emotional and of intense interest. The latest outburst of opposition follows a prolonged and bizarre period when the exhibit's curators, led by Air and Space Director Martin Harwit, were engaging in line-by-line negotiations over drafts of the show with representatives of the American Legion and other groups angry at its content and what seemed to many (ourselves included) a tendentially anti-nuclear and anti-American tone. Initial drafts of the show, which dealt at length with the birth of the nuclear age and the question of whether America had done something militarily

— THE WASHINGTON POST.

In and Out of Haiti

Defense Secretary William Perry has pronounced the magic words on Haiti — "safe and secure" — that trigger replacement of the U.S.-led multinational force there by United Nations peacekeepers. There will be a strong, although minority, American component in the UN force, and, to fit American political tastes, its commander is to be an American. Nonetheless, in short order there will be more than a symbolic passing of responsibility. Despite everything, to many in Haiti a U.S. force means something serious and a UN force means something uncertain. It is bound to be a nervous passage.

Ideally, before they ended the part of the rescue they dominated, American peacekeepers would have disarmed Haiti, trained up a police force and made over the army. But disarming all the gangs, irregulars and paramilitaries was a good apolitical professional model. But Haiti's violence-ridden political culture will ebb only slowly. The temptation for an appreciative leadership to repoliticize security forces cannot be dismissed.

In the absence of effective (and democratic) means of ensuring law and order, American officials have stressed the contribution made to security by political stability. President Jean-Bertrand Aristide, restored to office by American power, is searching out firm middle ground, prepar-

ing the country for parliamentary elections and hunting for aid and the means of growth. Yet there is no disguising the anxiety found among the most knowledgeable American officials. One thinks that Haiti needs 3,000 American soldiers for 10 years to deter the kind of trouble that would spur big refugee flows.

Before Republicans took over Congress, an American political scene spoiled for UN peacekeeping by an afternoon's casualties in Somalia had accepted a duty to act in Haiti but demanded a quick American-controlled in and out. It is getting just about that. In the circumstances, Haiti is lucky to get that much. But it's cutting things close.

— THE WASHINGTON POST.

Other Comment

School's Work in South Africa

This month, with the start of the new school year, Nelson Mandela's government opened for the first time all state schools to pupils of all colors. After years of apartheid, South Africa has a fearsome amount of undoing to do. Mr. Mandela needs to foster a culture of participation among a generation of schoolchildren raised on political protest. In this, the queues of black parents waiting to register their children at schools this term were an encouraging sign. Unless the government can persuade them, once at school, to stay there, most efforts to improve the quality of South African education will be in vain.

— The Economist (London).

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Beyond China's Deathwatch, a Future to Worry About

By David Shambaugh

LONDON — The Deng Xiaoping deathwatch is on in earnest. A recently published photograph, the first in a year, and an interview that Mr. Deng's daughter granted The New York Times confirm the patriarch's incapacitation.

Political successions in Communist states are unpredictable and unstable. In China, the death of Chairman Mao 19 years ago resulted in midnight arrests, purges and a prolonged transition before

China is in many ways a tinderbox that needs only a match. Deaths of senior leaders have provided such ignition in the past.

Deng Xiaoping emerged as paramount leader. By contrast, the succession to Mr. Deng is likely to be smooth in the near term. The situation six months or a year later is less predictable.

It can be argued that the succession has already occurred, as Mr. Deng and his fellow elders have installed a collective group of successors since 1992. There are some and fissures in group of post-Deng leaders. Some have stronger power bases than others. But China's elite today is notable for its relative lack of factionalism and political infighting. This apparent stability may be illusory, but it is marked contrast with the Maoist era and much of the period under Mr. Deng's rule.

No present Chinese leader can fill Mr. Deng's shoes. The country will lack an emperor figure or paramount leader in his absence. His third chosen successor,

Jiang Zemin, will be the first among equals. His sustainability is less sure.

Mr. Jiang is acceptable to the four principal constituencies in the Chinese political elite — the Communist Party ideologues and apparatchiks, the military, provincial administrators, and economic technocrats. Politics is about balancing interests and groupings. Mr. Jiang is a balancer. He knows that his future depends on maintaining the support of each group, particularly the military.

One of two wild cards in the succession game is retired party elders and former leaders who have been purged or removed from office in recent years. Chen Yun, Peng Zhen, Bo Yibo, Song Ping, Zhang Aiping and others can be expected to weigh in. Each backs different clients in the current Politburo.

Chinese politics resembles Mafia patron-client networks, and the elders will exercise their influence via their protégés.

The influence of the elders, like that of the military generally, will be politically conservative. This would tend to preclude the emergence of a Chinese Mikhail Gorbachev and significant political reform. Having watched the former Soviet Union, the old guard in China sees liberalization as a slippery slope to extinction for Communist Party rule.

The other inponderable concern is the post-Deng roles of former Prime Minister and party General Secretary Zhao Ziyang and the former armed forces strongman Yang Shangkun. Mr. Zhao, deposed for opposing the bloody military suppression of the democracy movement in 1989, waits in the wings much as Mr. Deng did at the time of Mao's death.

The National People's Congress chairman and internal security czar, Qiao Shi, has emerged from the shadows and is displaying a higher profile. Some see him as a Chinese Yuri Andropov. There are slight indications that he could emerge as a key advocate of political liberalization.

Deputy Prime Minister Zhu Rongji is now 75, he could energize and restore some popular legitimacy to the party, carry out needed political reforms and enlist the support of the intelligentsia and many economic reformers.

However, he is opposed by the conservative party elders, and his return to power would undoubtedly necessitate a reversal of verdicts on the massacre of pro-democracy protesters in June 1989. It would also necessitate the removal of Prime Minister Li Peng and other current party leaders. The chances of a comeback by Mr. Zhao seem slim, but stranger things have happened in Chinese politics, and it should not be ruled out.

Former President Yang Shangkun, who happens to have long-standing career ties to Mr. Zhao as well as a strong following in the military, must also be reckoned with. Mr. Yang, 87, is still smarting from being forced into retirement in 1993, and he remains a key power broker behind the scenes.

The current leadership appears secure for the time being and will probably weather the immediate post-Deng transition intact. Mr. Jiang has shored up support among the military and party ideologues. He has emerged as a statesman on the world stage in the last year.

Prime Minister Li, while disliked at home and abroad, has a strong power base in the State Council ministries and has carved out a politically safe position on the pace of economic reform.

The National People's Congress chairman and internal security czar, Qiao Shi, has emerged from the shadows and is displaying a higher profile. Some see him as a Chinese Yuri Andropov. There are slight indications that he could emerge as a key advocate of political liberalization.

Deputy Prime Minister Zhu Rongji is vulnerable for lack of political clients and an institutional or geographical base of support, and because of the constituents he has offended by his administrative style and unpopular economic measures.

Ultimately, the succession will have less to do with personalities in Beijing and more to do with systemic change throughout China. How the collective leadership addresses the multiple social and economic problems the country confronts will determine its fate.

Mr. Deng's successors will be put to the test in 1993 to bring down inflation, cool off the overheated economy, restructure state enterprises, control crime and corruption, stem the tide of migrant labor, cushion unemployment in rural and urban areas, cope with the Taiwan issue, and manage relations with the United States and Japan.

China is undergoing wrenching systemic transitions. The leadership transition to the post-Deng era is only one of them. It is perhaps the most predictable and easiest to manage. More difficult are the socioeconomic pressures from below that could coalesce to produce revolutionary change and transform China's political superstructure. China is in many ways a tinderbox that needs only a match, and deaths of senior leaders have provided such ignition in the past.

If China erupts after Mr. Deng dies, an authoritarian retrenchment and the spilling of blood to maintain the party in power are a far more likely scenario than the blossoming of Chinese democracy.

The writer, senior lecturer in Chinese politics at the School of Oriental and African Studies, University of London, and editor of *The China Quarterly*, contributed this comment to the *Herold Tribune*.

Wake Up to These Preventable Opportunities for Nuclear Smugglers

By A. M. Rosenthal

NEW YORK — On Dec. 20, the Czech government announced that it had arrested a band of nuclear smugglers. They were caught with three kilograms of highly enriched uranium, a stash greater than any ever seized outside the former Soviet Union. Such enriched uranium can be used as a nuclear bomb trigger or to create easily transportable radiation-spreading weapons.

One month later, intelligence officials are not sure where some of the six smugglers came from, where the material originated or who the customers were. They do say that the uranium probably was not from a weapon but from a civilian reactor or laboratory — even more worrisome.

In the United States, a few reporters wrote about it once or twice, a few nuclear specialists in and out of government paid attention. That's it.

One thing you have to say about Americans: When it comes

to danger to themselves and their country from widespread international terrorism, they are real relaxed, hardly twitch a nerve.

You have to say it because it is true, but it certainly is not a compliment. It speaks less of bravado than of American historic memory, roughly comparable to butterfly's, and of a special thick-headedness: It can't happen here or to us, even when it already has.

U.S. servicemen, 241 of them, were killed in their barracks in Lebanon by a suicide bomber.

Pan Am 103, an American plane, the kind that ordinary Americans buy, was blown to small bits along with its 259 passengers.

And the World Trade Center bombing. The only great surprise is that the killers were not more efficient in placing the bomb — they could have murdered hundreds — or did not lace it with the

day it could say, well, here we are in the club, Satan.

So back to Prague. Two of the nuclear smugglers carried Russian passports. The belief is that the uranium came from a "peaceful" plant in the former Soviet Union, because controls on those plants are severe. Make your own list of potential enriched-uranium customers — at least a half-dozen nations and twice as many terrorist groups.

It is important not to overemphasize dangers. That could frighten people. But it is more important not to pretend that long-range dangers, or even short-range, like tomorrow, do not exist. That could kill people.

A week ago I wrote about countries that wanted to sell "peaceful" nuclear reactors to Iran. That would allow Iran to produce plutonium, like highly enriched uranium, one of the essential ingredients of the nuclear bomb. Tehran would move much faster toward

The shortfall in the Prague cache may give you comfort, unless the thought strikes that maybe potential customers had uranium on hand already or were expecting some. Also, the institute says three kilograms would be sufficient to construct not a bomb but an "easily transportable and concealable" weapon to disperse lethal radioactivity.

Without enriched uranium or plutonium, nuclear power plants can work but weapons cannot be constructed. With them, for skilled terrorists or countries driving toward nuclear weapons, the job should be assumed to be entirely manageable.

In April the Nuclear Nonproliferation Treaty will be up for review. If Republicans and Democrats want a true bipartisan achievement, U.S. leadership to eliminate plutonium and enriched-uranium production would be remembered always, and it all fell apart.

The New York Times

Leave NAFTA's Cheerleaders Down in Their Hole Without a Ladder

By Robert Kuttner

new U.S. jobs, thanks to increased U.S. exports. You only had to assume a ladder.

Then, last Dec. 20, the peso crashed. Soon it lost 40 percent of its value. Likewise the Mexican stock market, and Mexican buying power. Instead of new customers, profits and jobs, the United States will incur a loan-guarantee exposure of \$40 billion. And since U.S. wages are suddenly 40 percent more valuable to Mexican workers, the United States will receive more immigrants.

The economic models, treated as scientific evidence by the Bush and Clinton administrations, made amazing assumptions. They assumed a strong peso and political stability. They assumed that international investors would not first overinvest and then flee. They assumed ladders.

One oft-cited study, by Gary Hufbauer and Jeffrey Schott of the

Writing in February 1993, as the NAFTA vote approached, Mr. Hufbauer and Mr. Schott warned that rejection of NAFTA "would probably cause capital to leave Mexico, in turn, forcing Mexico to contract its imports, thereby slashing the growth of U.S. exports and drastically shrinking the U.S. trade surplus with Mexico."

Of course, that is just what

happened after NAFTA passed. But is it fair to blame NAFTA for these reverses?

I think so. Both the politics and the economics of NAFTA encouraged Mexico to keep its peso overvalued, to the point where a crash was just a matter of time. Mexico deliberately kept its currency overvalued in 1993 and 1994, attracting huge flows of private capital, and giving the Mexican economy an artificially rosy glow.

Budget Woes Drive Ruble To Record Low

Compiled by Our Staff From Dispatches

MOSCOW — The ruble fell to a record low of 3,947 to the dollar on the Moscow Interbank Currency Exchange on Friday, pushed down by sentiment that Russia's budget deficit that would exceed criteria for obtaining Western aid.

On Friday, the Parliament proposed changes to Russia's 1995 budget, but stopped short of approving the spending plans, leaving a top-level delegation from the International Monetary Fund waiting for news of Russia's economic future.

The Fund sent a delegation to Moscow to discuss the possibility of granting Russia a \$6.25 billion stand-by loan. But the loan, already budgeted by Russia as a way to close the gap between income and spending, depends on the country passing a tough budget that includes clear ways of reining in inflation.

"That money depends on the budget, and the budget doesn't look very healthy right now," said Kornei Bisharov, an economic analyst at Moscow State University.

Fears about rising inflation were heightened by Russia's

military campaign in breakaway Chechnya.

Officials say they cannot measure the costs of the campaign until the shooting stops, although they admit Russia must find up to 5 billion rubles (\$1 billion) to rebuild Chechnya's war-torn economy and infrastructure.

"In the end, Russia will have to adopt a weak 1995 budget and take Chechen expenses into account," a dealer with a major bank said. "This will bring the ruble down seriously."

The currency's slide on Friday was undaunted by the central bank's intervention to support the ruble, which has fallen more than 10 percent this month.

The dollar rose 31 rubles on Friday, surpassing its previous record high of 3,926 rubles set Oct. 11. The Deutsche mark, meanwhile, rose 91 rubles, to 2,711.

No figures were made available after the intervention Friday, but a senior central bank official said the bank had been actively buying rubles this month. Still, he said, the government had plenty of money to support its currency.

(Reuters, Bloomberg, Knight-Ridder)

Argentaria Sets Telefónica Deal

AFP-Exel News

MADRID — Argentaria, Corporación Bancaria de España SA said Friday it was planning to buy a significant stake in Telefónica de España SA.

A spokesman for the bank said negotiations have been going on for the past year, and Francisco Lázaro, president of Argentaria, has already informed the government of his intention.

A decision on the size of the stake to be purchased is expected in the next two months. According to the bank, the purchase is aimed at strengthening the strategic alliance with the telecommunications business.

Tire Rivals Will Work Together

Bloomberg Business News

HANOVER, Germany — German tire maker Continental AG Friday announced an agreement with Pirelli SpA, its Italian rival, to research new truck tires.

Dieter von Herz, a Continental spokesman, refused to say how much the two companies would invest in the project. "It's just to conduct some basic research," he said, adding that both companies expected to save money by sharing research costs.

According to Mr. von Herz, the plan represents the first agreement of its kind between Continental and Pirelli but is not expected to lead to further-reaching research endeavors or joint manufacturing ventures.

Paris Near Pact on 2d Subsidy for Crédit Lyonnais

Reuters

PARIS — The French government and Crédit Lyonnais appear to have made progress in negotiations over how much the state will have to inject in a second rescue package for the bank.

A consensus is expected to emerge "in the coming days" on the huge provisions that Europe's largest bank will have to make in its 1994 results to cover a string of disastrous loans and acquisitions, a source said Friday.

Estimates of the amount vary widely. But the source said it would be nearer to the 20 billion to 25 billion francs (\$3.8 billion to \$4.7 billion) urged by the banking watchdog, the Commission Bancaire.

But he refused to comment on German television reports that the division, which in-

cludes three subsidiaries, would be sold. The subsidiaries accounted for 1.3 billion Deutsche marks (\$848.2 million) of the company's total sales in 1993 of 46 billion DM.

"What Hoechst is seeking is improvement, and we are thinking over all the possibilities," Mr. Harder said. "It's possible that could mean selling the division.

He would not identify the securities firm that was advising Hoechst. Television reports PLC, a unit of Deutsche Bank AG.

The division consists of Hans Schwarzkopf GmbH, in which Hoechst holds a 77 percent stake, as well as Marbert GmbH and Jade Cosmetic GmbH, both held by Cassella AG, a company in which Hoechst holds 75 percent.

Hoechst shares fell 7.20

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Whatever the amount, the package will come on top of the state-backed rescue package, extended last spring, of up to 23.3 billion francs.

Hoechst Considers Spin-Off in Cosmetic Facelift

Compiled by Our Staff From Dispatches

FRANKFURT — Hoechst AG, the German chemicals company, has begun discussions with a financial adviser on the future of its cosmetics division, said Heiner Harder, a Hoechst spokesman, on Friday.

But he refused to comment on German television reports that the division, which in-

cludes three subsidiaries, would be sold. The subsidiaries accounted for 1.3 billion Deutsche marks (\$848.2 million) of the company's total sales in 1993 of 46 billion DM.

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Paying for France's Land Slump After Years of Creative Accounting, Losses Surface

Reuters

PARIS — France's economic recovery may be well under way, but the fallout from a four-year slump in the commercial real estate market is hampering the efforts of many big companies to get back to health.

Although many in the real estate industry say the market has bottomed, the extent of losses suffered because of the downturn is only now coming to light. "The big institutions have been keeping a lid on their property losses," Robert Waterland, president of the consultancy Jones Lang Wootton France, said Friday. "But sooner or later, if you've got debt, it comes home to roost."

Générale des Eaux revealed on Wednesday that disastrous property ventures might bring its Compagnie Immobilière Phénix unit a 1994 loss of more than 1.65 billion francs (\$311 million) — equal to more than half the profit Générale des Eaux posted in 1993.

On the same day, the state-controlled insurer Groupe des Assurances Nationales stunned the bourse by announcing it was braced for a 1994 loss of 2.5 billion to 3.0 billion francs.

State-owned Crédit Lyonnais has been hit hardest. As part of a rescue package

investment, this time by GAN's banking unit Union Industrielle de Crédit, mounted by the government last spring, 43 billion francs of the bank's real estate assets were spun off to a new company known as OIG.

The state pledged to guarantee up to 18.4 billion francs of OIG's losses but it is expected to raise a ceiling in a new rescue package now being negotiated.

The real estate lender Comptoir des Entrepreneurs, in part owned by the soon-to-be privatized insurer Assurances Générales de France, won a similar government guarantee last month to cover losses up to 4.5 billion francs.

Real estate analysts estimated that capital values have been halved and prime rents have dropped by up to 40 percent since a speculative bubble burst in mid-1990. Banks lending for business had lent heavily to property traders and developers during the heady days of the bulb market.

The Association Française des Banques said its member banks provisioned 30 billion francs for property exposure in 1992 and a further 20 billion francs the following year.

The banking association is making no predictions, but analysts said they expected the final bill to easily top 100 billion francs. The banking industry's total annual profit is between 20 billion and 30 billion francs a year.

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Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3300	2200
2200	3200	2100
2100	3100	2000
2000	3000	1900
1900 A S O N D J 1994	2000 A S O N D J 1994	1800 A S O N D J 1994
1800 A S O N D J 1995	1900 A S O N D J 1995	1900 A S O N D J 1995
1700 AEX	1800 Stock Index	1700 FTSE 100
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1500	1600	1500
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1300	1400	1300
1200	1300	1200
1100	1200	1100
1000	1100	1000
900	1000	900
800	900	800
700	800	700
600	700	600
500	600	500
400	500	400
300	400	300
200	300	200
100	200	100
0	100	0

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• American Maize Products Co. said that Eridania Beghin-Say SA, the Paris-based agricultural products concern, has sweetened its takeover offer for the corn-syrup maker to \$37 a share from \$32.

• Telecom Italia SpA, the Italian telephone-service provider, said it expects a 9 percent increase in sales in 1994 to 29 million lire (\$1.6 billion).

• Procedo GmbH's court-appointed trustee and its creditor banks said they expect to reach a settlement of the German financing group's debt with its main shareholder, Allgemeine Kreditversicherung AG, at a meeting next week.

• Wegener NV, the Dutch newspaper concern, said it bought two publishers of regional newspapers in the Netherlands, Utgeverij Woerden Courant BV and Utgeverij Weekblad de Brug BV, from their holding company CPM Holding BV.

• Akzo Nobel NV, the Dutch chemicals and pharmaceuticals company, signed a joint venture with Aktrixia, a Russian pharmaceuticals concern, to manufacture contraceptives in Russia.

• Belgium said it has narrowed the field of candidates for a partnership with Belgacom, the state telecom concern, to eight, including AT&T Corp. and British Telecommunications PLC.

Federal Express Grows

Reuters

LONDON — Federal Express Corp. plans to increase the cargo capacity it offers between Europe and the United States from July to cope with increasing demand

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, JANUARY 21-22, 1995

the U.S. 150

FIRST COLUMN

Can You Win
If Situation Is
Too Special?

THE idea of investing in a "special situation" is pleasing. It represents a break with the supine attitudes of some modern investment managers who like to pretend that the market is, if not perfect, highly efficient—and therefore almost impossible to beat.

The investor who looks to find a special situation is implicitly rejecting such notions. This investor is seeking to exploit the value that arises from inaccurate market valuations—inefficiencies in the market's pricing mechanism, if you prefer—given the general trend is downward.

Typical examples of special situation plays include takeover prospects, companies with brilliant, new products waiting to be introduced (such as new wonder drugs, etc.), and companies that are about to sell undervalued assets and so boost their perceived net worth and, consequently, their share price.

A classic way of making a play in this area for small investors is to buy a fund that specializes in special situation investing. But by investing in a fund, investors may in fact be making a special situation play more directly than they realize. The fund might have trouble liquidating assets in order to pay off investors."

A closed-end fund would never suffer the same fate because its shares are traded independently of the underlying assets.

Every now and then, despite their relatively small number, closed-end funds enjoy a sudden burst of popularity.

Ironically this is most likely to happen after a period of falling demand when the total share value of some funds may have dropped so much that it is significantly lower than the value of their underlying assets.

Under these conditions the share is said to be trading at a discount.

Understandably, the most sought-after funds are those offering the biggest discounts. Investors buying up discounted shares hope their value will soon move closer to that of the fund's assets, therefore bringing them a quick profit.

According to Mr. Curi, the last time the market saw high discounts was during the 1980s when, for a time, the number of closed-end funds began to grow.

"At that time there was a proliferation of closed-end funds and a lot of big investment banks showed their clients into them without making it clear that the value of the investment was not necessarily the

By Digby Larmer

WHEN times are hard in the world's stock markets, investors may find themselves attracted to "special situations." As their name implies, special situations are supposed to offer particular, niche-type attractions that may do well even when the general trend is downward.

Typical examples of special situation plays include takeover prospects, companies with brilliant, new products waiting to be introduced (such as new wonder drugs, etc.), and companies that are about to sell undervalued assets and so boost their perceived net worth and, consequently, their share price.

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"At that time there was a proliferation of closed-end funds and a lot of big investment banks showed their clients into them without making it clear that the value of the investment was not necessarily the

Saturation

- European and Asian opportunities
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market they are the oldest type of pooled investment in many countries.

David Curi, a fund manager with the Regent Pacific Group in Hong Kong, explains that this is usually because they are best-suited to developing investment markets where liquidity can sometimes be a problem:

"In emerging markets like Asia and Latin America or anywhere liquidity may be low, open-end funds could have problems if they suffer a run of redemptions. The fund might have trouble liquidating assets in order to pay off investors."

A closed-end fund would never suffer the same fate because its shares are traded independently of the underlying assets.

Every now and then, despite their relatively small number, closed-end funds enjoy a sudden burst of popularity.

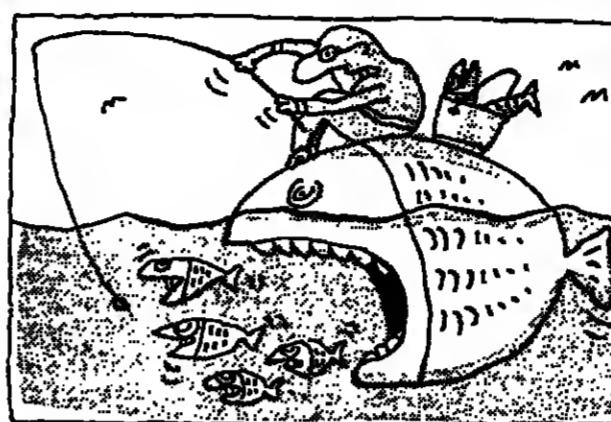
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Nicole Aszkenasy/HT

same as the value of the underlying assets."

As the truth dawned and investors took their money elsewhere discounts began to widen. This in turn attracted investors into the funds who were prepared to wait for the discount to narrow once more in order to take a profit.

"That was an unusual situation so I doubt we will see those levels of discount back into the market in future."

But apart from attracting private investors a period where discounts are above 20 percent inevitably also draws attention from corporate predators, as Patrick Gifford, chairman of Fleming Investment Trust Management Ltd. in London explains:

"Investment trusts" — as closed-end funds in the United Kingdom are known — "that show a discount to their net asset value make attractive acquisitions for various reasons. Whoever takes them over could simply close the fund down and sell off the assets to realize an immediate profit, or use it as a cheap way of getting exposure to a solid portfolio of stocks, as many pension funds have done."

In some cases the shareholders in the fund may force the managers to make it open-ended so that the discount can be realized. This is most likely to happen in funds where a discount has existed for some time and in a sector where the funds assets are not so easily liquidated.

Once the fund has become open-ended the investors can cash in their stake at the full asset value rather than the previously discounted share value.

Roddy Crawford, a strategist with BZW Investment Trusts in London, adds that occasionally corporations will take over a closed-end fund simply as a cheap way of going public in much the same way as some businesses buy shell companies: "That happened in the United Kingdom with the Worth Investment Trust which was taken over by the cable company, Caledonian Media Communications, in order to get a public listing."

Discounted closed-end funds are also sometimes used by corporations as a way of raising cash without resorting to a rights issue.

Typically, the predator corporation arranges a share exchange with a closed-end fund that has a significant discount, swapping its own shares for shares in the fund. After winning control of the fund the predator liquidates it and uses the cash raised from the discount to recapitalize its business.

In the United Kingdom, pension funds have been the most aggressive predators of closed-end funds. Among these the most noteworthy is the British coal miners' pension fund, the Coal Board Investment Nominees.

In 1990, the miners' fund pulled off the biggest ever British acquisition of a

closed-end fund when it took over — and closed down — the Globe Investment Trust, then worth £1.028 billion (\$1.61 billion).

In most cases investors holding shares in closed-end funds that become acquisition targets are not usually placed at a disadvantage. The only danger is where those holding an investment for a long period are forced to take a cash settlement that leaves them liable to capital-gains tax. This very nearly happened with a number of shareholders in the Globe Investment Trust. Finally, following talks between the fund managers and the U.K. tax office, investors were allowed to directly reinvest cash they received from the miners' fund without suffering a tax liability.

Since the beginning of the 1990s takeover activity in the United Kingdom has slowed thanks to discounts having narrowed. However, there has been a steady flow of acquisitions on a much smaller scale.

The most recent takeover was of Sphere Investment Trust by Dartmore Investment Trusts in the United Kingdom in November last year.

Chris Whittington, a director with the British-based Exeter Fund Managers Ltd., which led the takeover, said: "The residual income and capital share element of the Sphere fund was due to be wound up in October 1995. Now it will continue at least through to the year 2000."

The Moral of Saatchi's Tale

By Rupert Bruce

PITY the poor investors in the Oakmark International Fund. Since David Herro, the 34-year-old money manager from Chicago who oversees the \$1.2 billion mutual fund for Harris Associates, scored a victory on its behalf just before Christmas and succeeded in deposing Maurice Saatchi, chairman of the global advertising agency Saatchi & Saatchi, their fund has lost almost 5 percent of its value.

These have been turbulent times for world markets, but Oakmark's 9.8 percent of Saatchi and the near-30 percent slide in its shares cannot have helped.

They have retreated because since Mr. Saatchi walked out of the door for the last time following the fateful Dec. 16 board meeting, he has been followed by a number of key staff, and some big accounts.

What Mr. Herro was trying to do was something that more and more money managers, particularly in the United States, are attempting. Rather than selling a company's shares if they do not like the way it is being run, they are using their voting power to influence management decisions. In Saatchi & Saatchi's case, Mr. Herro and some fellow American shareholders decided, after a long-running dispute over pay and behavior, that it would be better for the company if Mr. Saatchi were no longer chairman of the board. The share price will tell whether they are right in the longer term.

Active intervention by shareholders in the day-to-day management of a company goes by the name of corporate governance in the United States. Guy Wyser-Pratte, a veteran of New York risk arbitrage, manager of three hedge funds, and an active enforcer of shareholders' rights, says shareholder intervention has become more common partly thanks to the actions of the US Department of Labor and the Securities and Exchange Commission.

The SEC made it much more practical for shareholders to take action in late 1992 when it changed its rules and made it easier for them to ally against corporate management.

The result has been a large increase in the number of shareholder actions in the United States. But the long arm of corporate governance is beginning to be seen in Europe as well. Quite apart from the Saatchi affair, there have been a number of

actions in Germany, France and Britain. And, there are a handful of young money managers, usually trained in American business schools, who have set up in Europe.

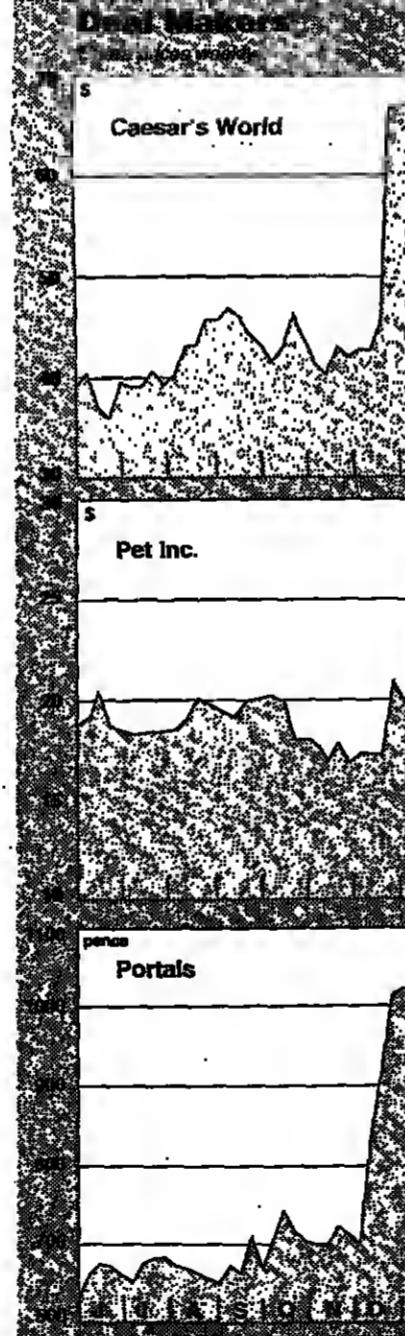
Mr. Wyser-Pratte is one of the better-known champions of corporate governance in the United States, and is said to be one of the more aggressive. "If we are involved in a takeover situation and the management of the target company misbehaves then we go after them," he said. "We organize the shareholders, we put a director on the board, and if need be we get an extraordinary shareholders' meeting to force our measures on the management."

Florian Homann, a principal of Value Management & Research, was one of the first to take the banner of shareholder rights to the Continent. He and his partner, Kevin Devine, run \$160 million of hedge fund money out of Koningsstein in Germany; they name enforcing shareholder rights as one of their investment strategies. Since buying about 4 percent of Galactina Holding, a Swiss veterinary medicine and baby food company, in mid-1994, they have since persuaded the company to increase its dividend by 50 percent, and raise its profile in the Swiss investment community. Mr. Homann said the company now has a market capitalization of 190 million Swiss francs (\$147 million), 60 percent more than when he bought the stock.

So what is happening at Oakmark? Some interventionist money managers believe that Mr. Herro has handled matters badly so far because he has tried to transfer an American way of doing business to Britain. He went in all guns blazing, they say, without regard to the British tradition of doing these things very quietly behind the scenes.

"I think that if one is going to take steps that are out of the ordinary one has to make sure that one is doing them with suitable care and attention for the local way of doing business," said Julian Tzenger, director of London-based Active Value Advisors and an adviser to Britain's Active Value Fund. "There is a long tradition of people doing these things and losing money," he said.

The Money Report is edited by Martin Baker



Source: Bloomberg

By Iain Jenkins

MANY investors made windfall profits during the acquisition boom of the 1980s. Some even specialized in trying to guess which companies would become the next takeover targets. Others had a much better method; they cheated and only invested with "insider information."

In today's world, the regulators are tougher and "insider information" is more difficult to come by. However, after a number of lean years and a recession in many countries, the deals are back. They present huge potential profits for those investors who can work out a way to play the acquisition game.

As markets in the developed world remain spooked by the prospects of further U.S. interest rate rises and as the ripple effects from the Mexican peso devaluation continue, one of the few places offering a realistic chance of making money through "special situations" as acquisitions. Typically, shares in a target company jump 30 percent on a bid.

In recent weeks, shares in Pet Foods, the American firm that owns the Old El Paso Mexican food brand, had been trading at \$20 until Grand Metropolitan, the British food group, made a \$26 a share bid.

Even more spectacular was ITT's \$67 a share offer for U.S. casino group Caesar's World in December. Until then, the shares were trading at \$46.

Peter Schoenfeld, senior vice chairman of the New York investment bank Wertheim Schroder, said: "All the signs are that the activity will remain high. The business cycle is improving and costs of debt and equity remain cheap for acquirers. At the same time legislative and regulatory changes have created reasons for mergers."

Last year was a record for merger activity, with total deals reaching \$339.4 billion, beating 1988's record volume of \$335.8 billion, according to Securities Data Co., the American merger-data supplier.

But how can the investor take advantage of these opportunities? Or is the takeover game restricted to "cheats" armed with inside information?

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Only last week the U.S. Securities and Exchange Commission fined a businessman \$458,000 for allegedly using "insider information" to profit from the news, announced last November, that Hilton Hotels was planning to break itself up or sell the company.

One of the most obvious ways to benefit from the surge in takeover activity is to invest in the only American mutual fund specializing in merger arbitrage. The Merger Fund, run by Westchester Capital Management, in New York, buys the stock of the target company as soon as a deal is announced and "shorts" — or sells borrowed stock in hopes of buying it back later at a lower price — the stock of the acquirer.

The fund hopes to take advantage of further counter bids or increases in the target company stock price. It also insulates itself from falls in the stock market. The result, surprising for such a volatile game, is one of the lowest-risk mutual funds in the United States as it has a low sensitivity to market moves.

Roy Behren, analyst for the Merger Fund, said: "Over the last two years there have been a greater number of deals to choose from. The quality of the deals is very high. Most are strategic, not financially driven. This means they tend to happen, which is good for us. We are optimistic about the next few years."

The fund has had a creditable performance, with Lipper Analytical figures showing that it has given investors a return of 56 percent over the past four years. And on a year-to-date basis it produced a 7.20 percent return. Over the same period most mutual funds lost money for their investors.

But if these levels of return fail to excite, there are other approaches — but all carry heavy warnings.

Chris Jeffrey, who runs the "special situations" fund for London-based Hill Samuel Asset Management, said: "You can try to pick bid targets, but companies that are targets are often the poor performers. It is a dangerous game to buy a bombed out company in the knowledge that the only way you will get any upside is if a bid materializes."

The company that is adopted is to find a company that is well run, but which may also have some additional strategic value

to a competitor. If a bidder doesn't emerge it isn't the end of the world. If one does it is a bonus.

He cites the recent example of the bid by British banknote printer De La Rue for its rival Portals. Both were well run companies in the same business and a merger always seemed logical. Portals shares have climbed from 750 pence (\$11.70) when the bid first became probable to a final price of 1,066 pence.

Another approach is to identify a sector where deals are likely to take place. This has been a particularly promising approach in the current acquisitions boom. In the '80s, deals were fairly randomly scattered across the market. Today, much of the activity is concentrated in certain sectors. All it takes is one deal in a sector to ignite acquisitions activity.

Jack Levy, co-head of mergers and acquisitions at Merrill Lynch in New York, said: "We are seeing dramatic changes in whole industries. One company puts together a transaction and this causes other players to jump. In health care in particular, there has been a 'deal ripple effect.' A lot more is still to come in health care, telecoms, financial service and technology."

An example of the "ripple effect" is the Pet Foods acquisition. In December, Campbell, the soup company, paid \$1 billion for Pace, one of Pet's key competitors in the Mexican food market. Pet's management feared that they would not have the muscle to compete with Campbell and started looking for a solution. They found it in the offer from Grand Met.

Another classic way for investors to play the takeover game is to buy into a takeover stock on news of an acquisition approach. Here, the secret is to buy when the target company rejects the bid which could force a higher price or where there is a chance of a counter bidder emerging.

Whatever approach the investor chooses, it is likely to be a risky game.

But Nick Knight, at the Japanese securities firm, Nomura Capital Markets, said: "Companies are flush with cash. There have been a lot of big deals in the past few months and a lot more are still to come. If investors can get the right stock at the right time there is a lot

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THE MONEY REPORT

'Special': In the Eye of the Manager

By Baie Netzer

WHETHER their market is the United States, Europe or Asia, special situations fund managers have one key advantage: flexibility. In other words, "special" can mean just about anything they choose it to mean.

To start, most say they use basic value investing principals to find beaten-down stocks that are out of favor and trading at significant discounts to their asset value or at low price-earnings multiples.

But what distinguishes a special situation fund from a generic value-investing fund?

"Usually, the fund manager is hoping for a particular catalyst that will force the stock's value to be recognized by the market," explained Michael Lipper, president of the Summit, New Jersey, fund tracker, Lipper Analytical Services.

Price-boosting events can include acquisition, new management, restructuring and cost-cutting. The risk for investors, of course, is that these events don't take place or that they don't actually improve a company's earnings outlook.

The latter scenario has made investing in Japan particularly precarious, according to Dennis

Clough, assistant director at Schroder Investment Management. While Schroder's Japan Enterprise Fund, a U.K. unit trust, has bought a number of Japanese shares on the strength of cost cutting and restructuring, "there have been almost too many that we have avoided," said Mr. Clough.

"Japanese companies have faced virtually every pressure a company could face in the last few years," he said. "There was a tough pricing environment, volumes were weak and the currency was very strong. But not every company that has cut costs has been successful."

Mr. Clough cites Toshiba as a disappointment.

"They have cut costs, but not enough," he said. "As a result, the improvement in profits won't be very dramatic." The control components maker Omron, by contrast, has eliminated production of unprofitable parts, and Mr. Clough expects the company's profits to double this year.

Because special situation fund managers often speculate on takeovers or restructurings, their strategy tends to perform well when the market is at extremes, according to Mr. Lipper. "When the market is high, company owners will be enticed into selling," he said. "And if it

is low enough, outsiders can buy significant shares at attractive levels."

But investors considering a special situations fund should be aware that portfolio managers vary in their willingness to speculate. A special situation fund may resemble a traditional value fund the more a portfolio manager shies away from speculating on specific events.

In Hong Kong, Allan Liu, manager of Fidelity's Asian Special Situations Fund, says he tries to reduce the speculative element of his portfolio by buying into "reverse takeover" plays in the Malaysian stock market after the deals have been announced.

In a reverse takeover, an unlisted company acquires a listed company as a shell. The acquisition helps the acquiring company gain an exchange listing but it is the assets of the unlisted company that constitute the core business.

In a bull market, investors may speculate on reverse takeovers confidently, Mr. Liu said. But in today's environment, "I find that I can still do well even after a deal is public. Once it's disclosed, all I have to do is know the value of assets and that's determined by our research."

One recent success for Mr. Liu was the reverse takeover of the Malaysian company Westmont by a ship builder. Shares in Westmont doubled in price even after the deal was announced.

Among the stocks he currently favors is the Danish ship builder Burmeister & Wain. Dogged by investors because of its inability to fill its order books profitably in the next two years, the stock has fallen to one-tenth of the company's adjusted asset value, according to Mr. Shakerchi. Though he doesn't expect the company to post a profit in the near future, Mr. Shakerchi has purchased the company's convertible bond, which recently carried a yield-to-maturity of 18 percent.

"The market has overreacted," he said. "Sooner or later, investors will realize that."

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Merger Fund

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SPORTS

Replacement Baseball's New Twists

Jays and Expos May Need 2 Teams' Worth of Players

By Murray Chass
New York Times Service

NEW YORK — Replacement Baseball, North America's newest sport, continues to produce bizarre developments. The Toronto Blue Jays decided to create a two-platoon system of managers and coaches, and the Montreal Expos faced the prospect of creating a two-platoon system of players.

Some of the people who could render those acts moot, the owners' negotiating committee, met with the mediator Bill Usery Jr. and Secretary of Labor Robert Reich, but there remained no indication when the owners and players might resume talks in their effort to settle their five-month-old dispute.

The Blue Jays decided that Manager Cito Gaston and his coaches, plus the team's trainers and clubhouse manager, would not work with replacement players. The club said it would assign other people from within the organization or hire others to manage and coach the replacements.

Replacement workers are also at the center of the latest complication stemming from Canadian federal immigration law. Just as teams that play in the United States will not be able to use noncitizens as replacement players, the two Canadian teams may not be able to use players who are not Canadian citizens.

The Blue Jays already had a problem with the use of replacement players. Ontario law does not permit the use of replacements for striking workers. But even if they somehow found a way around that dilemma, the Blue Jays would run smack into the larger problem that would also affect the Expos.

Unless they find a way out of

their predicament, the Expos would have to stock themselves with two teams, one of all Canadians to play home games in Montreal and one of all Americans to play road games south of their border.

"It's an issue that has come up fairly recently," Chuck O'Connor, the owners' chief labor lawyer, said by telephone from Washington. "We're aware there may be an issue there and we're looking into it."

Expos' officials either could not be reached or did not return calls seeking comment on the matter. But Gordon Kirk, the Blue Jays' lawyer, said he under-

stood that Canadian immigration law prohibits the immigration service from granting temporary work visas to non-Canadians if they are to replace workers affected by a labor dispute.

"The effect," Kirk added, speaking by telephone from Toronto, "is the replacement players who would be brought in, logically American players, would not be able to get visas as replacement players."

"There seems to be some uncertainty," said Gene Orza, a union lawyer, "about whether or not the requirement for licensure in Quebec applies equally to the immigration of foreign nationals and the hiring of replacements under labor law."

Whatever type of players the Blue Jays wind up using, they will not have the benefit of the man who has managed Toronto to two successive World Series championships. The Blue Jays, who were one of three clubs to vote against implementation of the salary cap, decided they did not want to jeopardize the relationship between Gaston and his staff and the regular players.

Howard Starkman, the club's public-relations director, quoted Paul Beeston, the president, as saying, "In reality, it's a team game and the less dishonesty there is, the better off we'll be."

Starkman said the club had not decided who would operate the replacement team, but General Manager Gord Ash said: "We have 50,000 managers every night here. I'm sure one of them will be available."

In Washington, the owners' negotiating team met with Usery for about four hours. Dick Conn, Usery's spokesman, said he could not discuss any other aspect of the meeting but said Usery intended to contact the union and discuss "where they go next."

Owner Firm on Rejection Of Fill-In Team for Orioles

New York Times Service

BALTIMORE — If the proceeds with its plan to use replacement players for major leaguers on strike, it will proceed without the Baltimore Orioles, according to the team's owner, Peter Angelos.

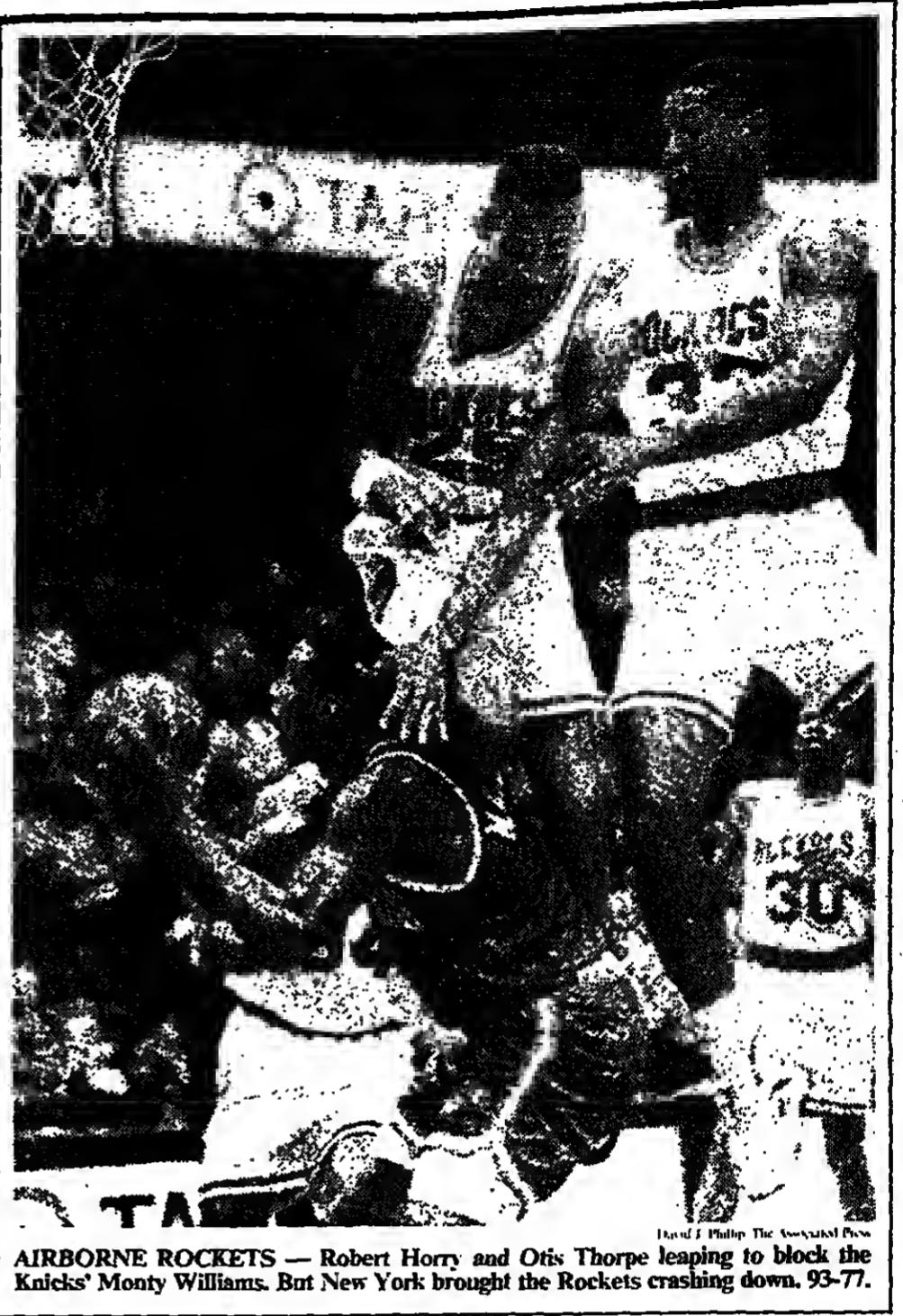
The owner of the American League East club reiterated that stance on Thursday even though the league informed him earlier in the day that he could face penalties ranging from a fine of \$250,000 a game to suspension to the possible confiscation of his franchise.

"My position hasn't changed," Angelos said. "The use of so-called replacement players would stigmatize the game."

And, he added: "We have a special problem in Baltimore with Cal Ripken, an extraordinary accomplishment by Cal and one that we certainly will do everything to avoid harming."

Ripken, the Orioles' shortstop since 1983, is closing in on one of baseball's cherished records, Lou Gehrig'sfeat of playing in 2,130 straight games from 1925 to 1939. Having gone 2,098 games without missing one, Ripken was expected to pass Gehrig this summer. An Oriole team of replacement players would end Ripken's chase.

Unless they find a way out of



DAVID J. PHILLIP / THE ASSOCIATED PRESS

AIRBORNE ROCKETS — Robert Horry and Otis Thorpe leaping to block the Knicks' Monty Williams. But New York brought the Rockets crashing down, 93-77.

SCOREBOARD

NBA Standings

EASTERN CONFERENCE				
Atlantic Division				
Orlando	31	13	816	56
New York	22	12	429	73
Boston	13	12	457	157
New Jersey	13	14	385	124
Philadelphia	11	25	304	112
Washington	8	22	224	219
Central Division				
Charlotte	23	13	429	—
Cleveland	23	13	399	—
Indiana	21	13	583	2
Chicago	18	19	486	52
Atlanta	16	17	422	52
Milwaukee	14	22	376	111
Detroit	11	22	224	11
WESTERN CONFERENCE				
Midwest Division				
Utah	27	18	730	68
Houston	22	13	429	4
San Antonio	21	13	416	47
Denver	18	18	396	42
Golden State	16	18	401	42
Phoenix	8	20	222	84
Pacific Division				
Phoenix	27	8	764	56
Seattle	20	9	742	54
L.A. Lakers	22	4	407	54
Sacramento	21	15	593	52
Portland	18	17	514	17
Golden State	11	24	314	11
L.A. Clippers	4	31	162	23

Western Conference

Midwest Division

W	L	Pct	GB
27	18	.590	—
22	13	.429	4
21	13	.416	47
18	18	.396	42
16	18	.401	42
8	20	.222	84

Top 25 College Results

THURSDAY'S RESULTS

FRIDAY'S RESULTS

SATURDAY'S RESULTS

SUNDAY'S RESULTS

How the 25 teams in The Associated Press' men's college basketball poll fared

Thursday: ... vs. ...

Friday: ... vs. ...

Saturday: ... vs. ...

Sunday: ... vs. ...

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SPORTS

German Upsets U.S. Downhiller

Compiled by Our Staff From Dispatches

CORTINA D'AMPEZZO, Italy — The German veteran Michaela Gerg-Leitner edged Picabo Street of the United States by two hundredths of a second in a women's downhill race on Friday to capture her first World Cup victory since 1989.

Gerg-Leitner, a late starter with No. 39, flashed down the Olimpia Tofane track in one minute, 25.82 seconds as Street was already celebrating what would have been her second downhill triumph of the season.

Katja Seizinger of Germany, the Olympic downhill champion, finished third in 1:26.08.

"This is a big surprise for me," said Gerg-Leitner after the fourth World Cup victory of her career. "I knew I was heading for a good time but no way did I expect to beat Street and Seizinger."

Seizinger's 60 points for third place lift her to the top of the overall standings, taking over the leadership from Heidi Zeller-Baehler of Switzerland, who finished 14th on Friday.

It was a bitter, consecutive upset for Street, who lost a World Cup super-G to France's Florence Masmuda, by four hundredths, in Garmisch-Partenkirchen, Germany, last Saturday.

Street, a silver medalist in the Olympic downhill in Lillehammer, won her first ever World Cup race in a downhill in Lake Louise last month.

Cortina is staging a second downhill on Saturday and a giant slalom on Sunday in the final World Cup tests for the women before the world championships, which start — snow conditions permitting — in Sierra Nevada, Spain, on Jan. 30.

Friday's race replaced an originally scheduled for the Garmisch-Partenkirchen, where the Austrian Ulrike Maier was killed during a race last year. The resort has not yet carried out safety work required before it can stage downhills again.

(AP, Reuters)

Italy's Ghedina Posts Victory in Men's Race

Compiled by Our Staff From Dispatches

WENGEN, Switzerland — In a flawless race, Kristian Ghedina of Italy posted his country's first downhill victory in five years on Friday and completed a comeback from a car accident that nearly cost him his life.

The 25-year-old downhill specialist finished the famous Lauberhorn course in 2 minutes 26.33 seconds, .85 ahead of Austria's Peter Rehak and 1.20 seconds in front of Hannes Trinkl, another Austrian.

With abundant snow and few icy patches thanks to warmer temperatures in recent days, skiing conditions were optimal. But the former Olympic champion Patrick Ortlieb and his fellow Austrian Günther Mader both crashed out after posting fast intermediate times.

The result left the top of the overall World Cup standings unchanged. Alberto Tomba, who does not race downhills, maintains a commanding lead with 850 points. Mader, an all-rounder, is a distant second with 482 points.

It was the third World Cup career victory for Ghedina. He won in Are, Sweden, and Cortina, Italy, in 1990 — the last downhill victories for Italy.

In April 1991 he was seriously injured in a car crash in Milan. He was in a coma for three days.

"I had a hard time after my car accident," he said. "It has been a long wait for this win after five years. I knew it would be just a matter of time before I started winning again."

It was another dismal day for the Swiss, whose downhills have failed to achieve a top-three placing this season. Xavier Gigandet was their best performer, sharing seventh place with Luc Alphand of France.

The race Friday replaced a downhill scheduled for Jan. 6 in Crans Montana. The traditional Lauberhorn classic takes place Saturday, followed by a slalom and combined on Sunday. The races are the last for the men before the world championships, which begin Jan. 30.

(AP, Reuters)

STREET TRANSLATIONS By Frances Hansen

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DAVE BARRY

Here's Why Newt Is So Angry

AMI — Big changes are occurring in Washington (motto: "Don't Laugh: You're Paying for It"). The Democrats, who had been in charge of Congress for thousands of years, have been thrown out into the street; you see hordes of them wandering aimlessly through traffic, freezing, holding crudely lettered signs that say "WILL INVENT HUGE WASTEFUL GOVERNMENT PROGRAMS FOR FOOD."

Congress is now in the hands of a genetically altered new breed of Republicans led by Newt Gingrich, a man who is motivated by a passionate commitment to political and cultural beliefs that were forged in the crucible of his youth — when America was strong, and people had real values, and the streets were safe, and at school the other kids dunked Newt head-first into the boys' room commode because he was a dweebly little half of a pudgy named "Newt."

Yes, Newt is an angry man, and he is above all angry at the federal government; he hates it, hates it, hates it. The only thing that keeps him from eliminating the federal government altogether is that then he would have nowhere to work.

Nevertheless he and the other new-breed Republicans are determined to "downsize" the government in every single area except of course those areas that are located in their personal districts. At the same time, they want to "upscale" spending on national defense, so that Americans will never again have to fear that some foreign bully such as Saddam Hussein will be able to dunk the head of this proud nation in the boys' room commode of international humiliation.

The Republicans also want to pass a middle-class tax cut, and so do the estimated eight Democrats who were able to retain their congressional seats during the recent elections by hiding in their basements. Even Bill Clinton, who as of this writing is still, technically, the president, has decided that he's once again in favor of a middle-class tax cut. You may recall that he had planned to propose a tax cut right after he got elected, but once he took office he became preoccupied with the awesome responsibility of having to completely change his mind every 45 minutes.

But the point is that all parties in Washington now agree that the middle class should get a tax cut, which means there will not be one any time soon. Instead there will be a lengthy and loud debate over who will get CREDIT for a tax cut:

ultimately the amount of money spent on press releases alone will be far greater than whatever pathetic amount winds up in the hands of the actual middle class.

Speaking of action, we can also expect the new Congress to do something about bringing back the kind of decent, old-fashioned values that we used to have in America years ago, when there was no crime, and a new car cost 50 cents, and you weren't constantly being hassled by total strangers trying to get you to change your long-distance telephone company, and nobody had ever heard of "cellulite," and if you asked for water in a restaurant they didn't ask you what KIND of water and then charge you good money for it even though it probably came out of some French person's garden hose.

□

We need to take action, especially in our schools, where the time has come — no matter WHAT the so-called Supreme Court says — to bring back an activity that has been missing from our public education system for far too long: an activity that was a regularly scheduled part of the school day when Newt and I were boys: an activity that has been eliminated with disastrous consequences to the moral fiber of our youth. I am referring, as you have no doubt deduced, to the wearing of athletic supporters.

I have here an article from (freely) the Cox News Service, written by Kevin Amorim and sent in by alert reader Tom Wassennich; this article states that supporters-wearing has declined sharply among the young men of today. I was alarmed to read this. When I was a youth, we HAD to wear athletic supporters in gym class, and although they were uncomfortable, we were ultimately glad they were mandatory, because every now and then you could sneak up on a victim, grab hold of his elastic strap, pull it back about 700 feet, then let go, and henceforth the victim would be singing in a whole different section of the gym club if you catch my drift.

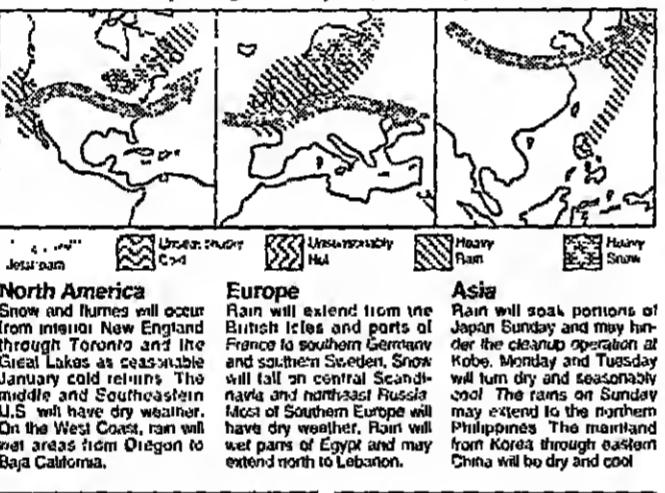
I say that if mandatory athletic supporters were good enough for great Americans such as Newt and myself and the late Abraham Lincoln, then they are good enough for the young people of today, and I hope that you will join me in loudly voicing this opinion to whoever will listen. And speaking of voices, I cannot help but notice that Newt's is fairly high-pitched.

Knight-Ridder Newspapers

WEATHER

Europe

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



North America

Snow and blizzards will occur from interior New England through to the Great Lakes and southern Sweden. Snow will fall on central Scandinavia and northeast Russia.

The middle and southeastern U.S. will have dry weather.

In the West Coast, rain will wet parts of Egypt and may extend north to Lebanon.

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